

LONDON BOROUGH OF BRENT
GENERAL PURPOSES COMMITTEE - 4TH AUGUST 2004
REPORT NO. /04 FROM THE DIRECTOR OF FINANCE

FOR INFORMATION

2003/2004 STATEMENT OF ACCOUNTS

1. SUMMARY

It is a requirement under the Accounts and Audit Regulations for the Council's Annual Statement of Accounts to be approved by Committee. This report presents these accounts in full to Committee for their information, comment and approval.

2. RECOMMENDATIONS

- 2.1 Members approve the 2003/2004 Statement of Accounts and agree to forward them to PricewaterhouseCoopers for audit.
- 2.2 The Chair of this Committee signs the accounts.

3. FINANCIAL IMPLICATIONS

- 3.1 This report wholly relates to the Borough's finances. A report will be going to the Executive on 16th August setting out the 2003/2004 revenue outturn position.

4. STAFFING IMPLICATIONS

- 4.1 There are no specific staffing implications.

5. DETAIL

- 5.1 Brent's 2003/2004 accounts are attached as an appendix to this report. In accordance with the 2003 Accounts and Audit Regulations they have to be approved by Committee no later than 31st August. (The Brent Constitution makes it the responsibility of this Committee to approve the accounts). They will then be forwarded to our external auditors PricewaterhouseCoopers who will then be able to formally commence the 2003/2004 audit. During the course of the audit, it is possible that they may require amendments to be made to the accounts in the light of further information. The legislation requires that a further report must be submitted to this Committee if there are any material amendments to the accounts arising from the audit.
- 5.2 The 2003 Accounts and Audit Regulations require the deadline for the accounts to be approved by Committee to be brought forward by one month each year as follows:

Financial Year	Latest Date for Accounts to be approved by Committee	Audit Completed/ Accounts Published
2002/2003	30 th September 2003	31 st December 2003
2003/2004	31 st August 2004	30 th November 2004
2004/2005	31 st July 2005	31 st October 2005
2005/2006	30 th June 2006	30 th September 2006

In Brent it was decided to aim to produce the accounts one month ahead of the statutory schedule above. Producing the accounts one month ahead of this timetable will help to identify delays/problems that will need to be overcome to ensure deadlines are met in future years.

- 5.3 The Accounts have been prepared according to the Code of Practice on Local Authority Accounting in the United Kingdom. This specifies the principles and practices of accounting required to prepare a Statement of Accounts that is intended to *'present fairly'* the financial position and transactions of the authority. The accounts include a Statement on the System of Internal Control. This is wider ranging than the Statement on the System of Internal Financial Control included in the 2002/2003 accounts. In addition the accounts reflect the adoption of Financial Reporting Standard (FRS) 17 on Retirement Benefits. Charges to service revenue accounts are now based on future benefits arising from service earned in the current year rather than employers' contributions. However the adjustments, which include re-stating some comparative figures for 2002/2003, are reversed *'below the line'* by the Movement on Pensions Reserve. This means there is no change to the Council's surplus/deficit for the year. Further details are given in Section 5 of the Explanatory Foreword to the accounts (Significant Changes from Last Year's Accounts).
- 5.4 One of the requirements of the 2003 Accounts and Audit Regulations is that the accounts have to be signed and dated by the Chair of this Committee as last year's accounts were for the first time. This shows that the accounts have been approved and adopted on behalf of the Council.

6. BACKGROUND INFORMATION

Code of Practice on Local Authority Accounting in the United Kingdom 2003.

Accounts and Audit Regulations 2003.

Any person wishing to inspect these documents should contact Max Gray, Finance Manager, Room 115, Brent Town Hall, Forty Lane, Wembley, Middlesex HA9 9HD, Tel. 020 8937 1464.

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