

LONDON BOROUGH OF BRENT

**Meeting of the General Purposes Committee
Wednesday, 24th November 2004**

Report from the Director of Finance

For Information

Wards affected:
All

Report Title: **2003/2004 STATEMENT OF ACCOUNTS**

1. SUMMARY

- 1.1 The Council's external auditors PricewaterhouseCoopers (PwC) have reported their Opinion on the 2003/2004 Statement of Accounts. There are no qualifications. This report asks members to note the revised accounts which include the amendments to those accounts originally submitted to General Purposes Committee on 4th August 2004.

2. RECOMMENDATIONS

- 2.1 Members note the Schedule of Significant Amendments at Appendix 1.
- 2.2 Members note the audited 2003/2004 Statement of Accounts at Appendix 2.

3. DETAIL

- 3.1 The 2003/2004 Statement of Accounts has previously been adopted by this Committee and passed to the external auditors, PwC, to commence the audit.
- 3.2 The 2003 Accounts and Audit Regulations require amended Accounts to be reported to the appropriate Committee which approved the accounts prior to audit.
- 3.3 The main changes to the accounts approved in August relate to the following matters:
- (1) Technical adjustments and reclassification of items in the accounts to comply with latest accounting guidelines.
 - (2) Adjustments mainly arising from internal audit reports.
 - (3) Adjustments to the Housing Revenue Account.

- (4) Adjustments arising from the reconciliation of internal debtors and creditors.
- (5) Revised valuation of Council dwellings.

Appendix 1 contains further details of the changes to the 2003/2004 accounts.

- 3.4 The certified accounts are attached at Appendix 2. The accounts have been prepared according to the Code of Practice on Local Authority Accounting in Great Britain. 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. Members are requested to note these accounts.
- 3.5 Members should be made aware that the accounts again have no qualification from our auditors. The Auditor's Report is included as pages 9 – 10 of the accounts (Appendix 2). This is the seventh successive year there have been no qualifications to Brent's accounts.
- 3.6 On 8th November 2004, General Purposes Committee received a report from PwC entitled '*Statement of Auditing Standard (SAS) 610*'. As well as saying that an unqualified audit report would be issued, PwC also said that there were no unadjusted misstatements arising from the audit work. In addition, the report said that no material weaknesses were identified in Brent's internal control systems.
- 3.7 The accounts were signed off by PwC on 10th November 2004. This is once again ahead of the current statutory deadline which has been brought forward this year to 30th November (from 31st December last year). The statutory deadline will be brought forward further to 31st October for our 2004/2005 accounts and 30th September for our 2005/2006 accounts.

4. FINANCIAL IMPLICATIONS

- 4.1 This report wholly relates to the Council's finances.
- 4.2 Overall balances at 31st March 2004 exceed those currently allowed for in the budget. The impact of this on the current year's financial position will be included in the budget monitoring report to be presented to the Executive on 13th December 2004.

5. LEGAL IMPLICATIONS

- 5.1 No specific implications

6. DIVERSITY IMPLICATIONS

- 6.1 The proposals in this report have been subject to screening and officers believe that there are no diversity implications arising from it.

7. STAFFING IMPLICATIONS

7.1 There are no specific staffing implications.

8. BACKGROUND PAPERS

1. Report to General Purposes Committee on 4th August 2004 entitled '*2003/2004 Statement of Accounts*'.
2. Report to General Purposes Committee on 8th November 2004 entitled '*Statement of Accounts 2003/2004 – Statement of Auditing Standards (SAS) 610*'.
3. 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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