

TONBRIDGE & MALLING BOROUGH COUNCIL

AUDIT COMMITTEE

12 October 2010

Report of the Director of Finance

Part 1- Public

Matters for Information

1 STATEMENT OF ACCOUNTS 2009/10

To inform Members of the outcome of the audit of the Council's Accounts for 2009/10.

1.1 Statement of Accounts 2009/10

- 1.1.1 I am pleased to report that there were no material changes required to the Accounts following the audit, although some minor technical and textual amendments have been made. In addition, the pensions disclosure note has been expanded to incorporate the announcement in the Budget that the Consumer Prices Index, as opposed to the Retail Prices Index, is to be adopted for the indexation of public service pensions from April 2011 and its impact on the pension liability.
- 1.1.2 For completeness, the Chairman of the General Purposes Committee re-signed the Accounts at the meeting on 6 September 2010 and the District Auditor issued an unqualified opinion on 15 September 2010.
- 1.1.3 Since only minor changes have been made to the Accounts following the audit, I do not propose circulating copies of the audited Accounts to all Members. A copy of the Statement of Accounts for 2009/10 will be placed in the Members' library and is also available on the Council's website at:
- http://www.tmbc.gov.uk/assets/finance/Statement_of_Accounts_0910.pdf
- 1.1.4 In addition we have prepared a Summary Statement of Accounts document for publication; copies of which will be placed in the Members' library and is also available on the Council's website at:
- http://www.tmbc.gov.uk/assets/finance/Summary_of_Accounts_0910.pdf

1.2 Annual Governance Report 2009/10

1.2.1 Our External Auditor (the District Auditor) is required by the Audit Commission's statutory Code of Practice for Local Government bodies to issue a report to those charged with governance covering, amongst other things, the outcome of the audit of the Accounts.

1.2.2 Under the Council's constitutional arrangements the Annual Governance Report for 2009/10 **[Annex 1]** was presented to the meeting of the General Purposes Committee on 6 September.

1.2.3 The following recommendations were made by the Audit Commission in the report:

- 1) Housing and Planning Delivery Grant should be accounted for as a general government grant.

Accounted for as a specific grant. No impact on surplus/deficit for the year.

- 2) The calculation of the bad debt provision should be based on the correct system reports.

Correct system reports to be used in future.

- 3) Arrears for court costs should not be included as council tax debtors allocated across precepting authorities.

Request made of software supplier to write a system report that will provide the requisite information.

1.2.4 The General Purposes Committee at its meeting on 6 September endorsed and approved the Annual Governance Report for 2009/10.

1.3 Legal Implications

1.3.1 There are a number of legislative requirements to consider in the preparation and publication of the Statement of Accounts that have been addressed as we moved through the closedown process.

1.4 Financial and Value for Money Considerations

1.4.1 The cost of the work carried out by the District Auditor was as notified to us in the 2009/10 Audit Plan.

1.5 Risk Assessment

- 1.5.1 The Statement of Accounts is a statutory document and, therefore, failure to prepare and publish the Accounts in accordance with proper accounting practice and within the statutory timescale could lead to qualification of the Accounts by the District Auditor.

Background papers:

Nil

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