

Time started – 6. 00 pm
Time finished – 6.30 pm

SPECIAL PURPOSES COMMITTEE
31 AUGUST 2004

Present: Councillor Burgess (in the Chair)
Councillors Care, Graves, Redfern, Smalley and Williamson

01/04 Apologies

Apologies for absence were received from Councillors Carr, Hickson and Roberts.

02/04 Late Items to be Introduced by the Chair

There were no late items.

03/04 Declarations of Interest

There were no declarations of interest.

04/04 Minutes of Previous Meeting

The minutes of the meeting held on 21 June 2004 were confirmed as a correct record and signed by the Chair.

05/04 Statement of Accounts 2003/04

Paul Dransfield, Director of Finance, introduced a report which sought the approval of the Statement of Accounts 2003/04. He advised the Committee that the Statement of Accounts summarised the Council's financial performance for the year end 31 March 2004. It was noted that it was a requirement of the Accounts and Audit Regulations 2002 that the Statement of Accounts had to be approved by 31 August 2004.

External auditors were still working on the accounts; their findings to date were circulated at the meeting as Appendix 6. The Director of Finance explained that the changes were due to how some monies had been classified. Some of the monies that had been classified as 'provisions' would now be classified as 'reserves'. Provisions were monies where there was strong evidence that it would be needed, reserves were monies where need was less certain. It was stressed that the changes did not affect the overall budget. The changes to be included in the Statement of Accounts were:

- reduce expenditure on Corporate and Democratic Core - £672,000
- reduce expenditure on Housing - £767,000
- restatement of prior year provision – £417,000
- increase Housing Revenue Account surplus - £25,000
- net contributions to reserves increased by - £150,000
- net contributions to Housing Revenue Account earmarked reserve for white goods - £330,000
- provision for bad debts - £181,000.

The external auditors SAS610 Report – ‘Communication of relevant audit matters to those charged with governance’ was circulated at the meeting. It was noted that the areas listed in paragraph 7 still needed to be looked at by the auditor partner. The misstatements on page 3 were suggested amendments that the Director of Finance agreed could be changed. Neither would significantly affect the budget. Provisions in the accounts were listed in paragraph 12; these related to suggested changes to the accounts that the Council did not wish to make. Pension monies for Derby City Transport had not been updated for sometime and the figure needed to be reviewed. The estimated payments under the Section 117 provision had been less than predicted and would also need to be reviewed. The Committee congratulated officers on the complimentary comment made in the report on the high standard of working papers.

Resolved:

- 1. To approve the Statement of Accounts for 2003/04 and the changes by external audit circulated as appendix 6 at the meeting.**
- 2. To note the SAS610 Report – ‘Communication of relevant audit matters to those charged with governance’**
- 3. To approve the formal capital financing determinations at Appendix 5.**

MINUTES END