



## **22. Statement of Accounts 2012-13**

Consideration was given to the Report of Head of Finance (Item 5.1 – 5.5 of the Official Minutes of the Council).

The Corporate Finance Manager highlighted the Explanatory Foreward in the Statement of Accounts as this summarised the key financial issues for the year (Page 5).

The Corporate Finance Manager then took Members through the final accounts highlighting the key points of interest. It was reported that there had been a growth in usable reserves of £3 million due to the change in housing revenue and the result of the Housing Revenue Account self financing regime.

It was reported that there would be an increase in the deficit for the pension fund but that over time this would be “made good” by the contributions to the pension fund.

The Corporate Finance Manager explained that there were two funds; the General Fund and the Housing Revenue Account. The Housing Revenue Account held a surplus of £585,000 compared to a deficit last year.

Members expressed their thanks to the officers and the excellent job that they undertook with the accounts.

Grant Thornton agreed that they were satisfied with the statement of accounts and that there was not a need to adjust it.

RESOLVED:

That the Statement of Accounts be agreed.

## **23. Audit Findings for Cannock Chase District Council 2012-13**

Consideration was given to the Report of the External Auditors (Item 6.1-6.33 of the Official Minutes of the Council).

Grant Thornton reported on the non trivial adjustment where the accounts had not reflected the debtor figure of £241,000 for housing. The Head of Finance was satisfied with the way that this issue has been treated and did not consider it necessary to make any changes. Grant Thornton were willing to accept this as it did not detract from the accounts. Members were advised that this was being reported to them for them to make a decision.

A Member queried whether this figure was caused by the change in the Welfare Benefits. The Head of Finance assured the Member that this had not had a impact. The reason for this figure was due to the last payment run of the year being included in the following year's accounts ie 2013-14. The

payments could have been included in either year and has no real impact on the accounts.

Grant Thornton had seen improvement in the accounts and the quality of the supporting papers.

A significant improvement had been reflected with regard to the reporting issues for the asset register, property plans and equipment.

The Head of Finance reported that under the Section 106 programme there were a number of old schemes where not all of the money had been spent and this left a small balance on the scheme and these have been kept as unallocated monies. The External Auditors have advised that these balances do not need to be kept as s106 monies and can be moved to capital receipts.

The Chair asked about s106 monies for the Town Centre as it doesn't specify which town centre. The Head of Finance explained that the Council has a town centre policy which covers this issue.

A Member asked for clarification on how historic Section 106 monies are identified in the accounts. The Head of Finance explained that specific contributions are earmarked in the accounts and generally attract interest until they are spent.

RESOLVED:

It was agreed that the £241,000 would be accepted without any adjustments being made.

**24. Grant Certification Work for Cannock Chase District Council 2012-13**

Consideration was given to the Report of the External Auditors (Item 7.1 -7.8 of the Official Minutes of the Council).

Two of the three claims would be signed off by the end of September 2013. One of the claims would be listed as unqualified due to an on going issue with the DCLG and mortgage repayments.

RESOLVED:

That the report be noted.

**25. Financial Resilience Arrangements – Cannock Chase District Council 2012-13**

Consideration was given to the Report of the External Auditors (Item 8.1 – 8.26 of the Official Minutes of the Council).

The Auditors highlighted that more partnership working would need to be

cultivated following on from the success of the shared services with Stafford and the Wigan Leisure Trust to assist with further savings. The Auditors agreed that there was a robust budget setting process in place.

The Auditors acknowledged that the financial statements process had improved including a strong commitment to this. The Auditors reported that a more consistent and transparent approach had been identified which meant that Scrutiny would be introduced into the cycle of quarterly reporting from now on. A Member asked whether financial information is currently reported quarterly to the Scrutiny Committee. The Head of Finance explained that the information used to be reported alongside performance indicators but as the Priority Delivery Plans have evolved this became more difficult. However, financial information is not being re-introduced. A report has already gone to Cabinet and will be reported to Scrutiny in October.

The Chair raised a question which related to item 8.14 and the borrowing that the Council had undertaken on a 25 year loan with an interest rate of 4.05%. The Head of Finance explained that it is a higher rate as it is a long term but the Council was able to take advantage of a Government reduction. He further explained that borrowing was only ever undertaken as a last resort but that this loan and the interest rate was the right decision at the time to suit the needs of the organisation.

An area that was highlighted as needing improvement was training for the Members to enable them to understand the financial arrangements and budget process. The Head of Finance and Grant Thornton agreed to undertake some training to give the Members confidence to pursue robust questioning of the accounts.

With regard to training the Members agreed that this was imperative for all Members as robust questioning could not take place if they did not have a certain level of understanding of the financial practices and processes. A Member raised the issue of the timing of the training as there would be elections next year which would need to be factored in. It was agreed that the training would take place in advance of the meeting at which the accounts will be considered.

RESOLVED:

That the report be noted.

The meeting closed at 5.10 pm

---

CHAIRMAN