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<b>PART A:</b>	<b>MATTERS DEALT WITH UNDER DELEGATED POWERS</b>
<b>REPORT TO:</b>	<b>POLICY AND RESOURCES COMMITTEE</b>
<b>DATE:</b>	<b>24 JUNE 2010</b>
<b>REPORT OF THE:</b>	<b>CORPORATE DIRECTOR (s151) PAUL CRESSWELL</b>
<b>TITLE OF REPORT:</b>	<b>STATEMENT OF ACCOUNTS AND ANNUAL GOVERNANCE STATEMENT (AGS)</b>
<b>WARDS AFFECTED:</b>	<b>ALL</b>

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## **EXECUTIVE SUMMARY**

### **1.0 PURPOSE OF REPORT**

- 1.1 To provide Members with a summary of the Council's Accounts for the year 2009/10 as required under the Accounts and Audit Regulations 2003 together with the Annual Governance Statement as approved by the Overview and Scrutiny Committee.

### **2.0 RECOMMENDATIONS**

- 2.1 Members are recommended to:
- (i) Approve the Statement of Accounts for 2009/10;
  - (ii) Agree the Annual Governance Statement as reviewed by the Overview and Scrutiny Committee; and
  - (iii) Note the levels of reserves.

### **3.0 REASON FOR RECOMMENDATIONS**

- 3.1 The preparation of the Statement of Accounts and Annual Governance Statement is a statutory duty placed upon all local authorities.

### **4.0 SIGNIFICANT RISKS**

- 4.1 There are no significant risks in receiving this report. It is felt that reserves are adequate to cover identified risks and that internal controls should give early indications of any matters for concern. The AGS does not raise any significant governance issues.

## **REPORT**

### **5.0 BACKGROUND AND INTRODUCTION**

5.1 The Statement of Accounts is prepared in accordance with The Code of Practice on Local Authority Accounting issued in 2009 by the Chartered Institute of Public Finance and Accountancy (CIPFA) and also in accordance with various accounting standards, which CIPFA has adopted.

### **6.0 POLICY CONTEXT**

6.1 The Statement of Accounts is a statutory requirement and covers all services of the Council including both capital and revenue accounts. The Annual Governance Statement is produced in accordance with the framework for corporate governance.

### **7.0 CONSULTATION**

7.1 No further consultation has taken place on the content of this report.

### **8.0 REPORT DETAILS**

#### **Overview and Revenue Accounts**

8.1 The Statement of Accounts in Annex A are set out in a statutory format with explanatory notes for the financial year to 31 March 2010.

8.2 On the Council's Income and Expenditure Account (shown on page 25) the net cost of services totalled £8.949m, which is £0.529m less than the original budget of £9.478m. Details of the expenditure and income for each service are shown on pages 53 to 54.

8.3 The major increases in revenue expenditure during 2009/10 include the following:

- (i) Leisure invest to save initiative £120k
- (ii) Tenancy agreement Community House £75k
- (iii) Business Grants £74k

8.4 Members have been informed of these additional costs previously at committee.

8.5 Details of the significant savings will be provided at the meeting.

8.6 Below the line of the net cost of services the return from the Council's investments was £89k lower than estimated.

#### **Capital Accounts**

8.7 The Council spent £1.589m on capital projects compared to an original estimate of £4.563m. The reduction in capital investment is primarily due to delays with external projects that the Council are to grant fund. This includes the dry sports centre at Malton School.

8.8 The Council applied £0.961m of investment from its capital funds with the remaining balance of £0.628m being financed by external grants and contributions.

8.9 In 2009-10 the Council received no capital receipts for the disposal of assets.

## **Reserves**

8.10 The balances of the individual reserves are shown on pages 43 and 44 of Annex A. Overall, there was a net reduction in the Council's funds and reserves of £1.058m. Major drawings included:

- Revenue support for the capital programme
- Local development framework
- Invest to save initiatives
- Business grants scheme and business rates hardship relief

The major contribution to reserves was £266k investment income to finance the capital programme.

8.11 In the view of the Chief Finance Officer (Corporate Director (s151)), the Council's reserves are in a healthy position and are sufficient to cover emergencies and unforeseen liabilities.

## **Annual Governance Statement**

8.12 The Council's AGS is included within the Statement of Accounts (pages 8 to 13). This is an important document in its own right to give an assurance that the Council's business is conducted in accordance with the law and appropriate standards and that public money is safeguarded and properly accounted for and used economically, efficiently and effectively. It also provides assurance that there is a sound system of governance and arrangements are in place for the management of risk.

8.13 An action plan is attached to the AGS to improve certain aspects during 2010/11 but there are no significant governance issues to report.

8.14 The Statement of Accounts and Annual Governance Statement were reviewed by the Council's Overview and Scrutiny Committee on the 21 June 2010.

## **9.0 IMPLICATIONS**

9.1 The following implications have been identified:

- a) Financial  
There are no new financial implications arising out of the report.
- b) Legal  
There are no new legal issues arising out of this report.
- c) Other (Equalities, Staffing, Planning, Health & Safety, Environmental, Crime & Disorder)  
There are no significant issues arising out of this report.

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**Background Papers:** none