



PORTFOLIO AREA: FINANCE AND RESOURCES

Agenda item
15(ii)

Date of Meeting: 28 JANUARY 2002

Public

Key Decision: No

Recorded in Forward Plan: No

Inside Policy Framework

Title: STATEMENT OF ACCOUNTS 2000/01
Report of: THE CITY TREASURER
Report reference: FINANCIAL MEMO 2001/02 NO 128

Summary:

On 30 August 2001 the Policy and Resources Committee approved the draft Statement of Accounts for 2000/01, prior to Audit (Financial memo 2000/01 No 64). The Audit was completed at the end of December 2001 and an unqualified audit opinion has been given. However some changes have been made to the Statements as approved by the Committee, and approval is required from Council to the revised statements included with the report.

Recommendations:

A full copy of the 2000/01 Statement of Accounts, incorporating the Auditor's Certificate, is available from the City Treasurer's department upon request. The Main Accounting Statements which have been subject to amendment are enclosed at Appendix A and I would ask the Executive to note these amendments for 2000/01, prior to submission to Council for final approval.

Contact Officer: Alison Taylor

Ext: 7289

Note: in compliance with section 100d of the Local Government (Access to Information) Act 1985 the report has been prepared in part from the following papers: Statement of Accounts working papers held within the Accountancy Section

To: The Chairman and Members of
The Executive
28 January 2002

Financial Memo
2001/02 No. 128

STATEMENT OF ACCOUNTS 2000/01

1. BACKGROUND INFORMATION AND OPTIONS

- 1.1 On 30 August 2001, as part of the requirement under the Accounts and Audit Regulations 1996, the Policy and Resources Committee approved the Statement of Accounts for 2000/01 (Financial Memo No 64) prior to Audit.

2. AMENDMENT TO THE ACCOUNTS

- 2.1 The City Council received an unqualified audit opinion and certificate on 21 December 2001. Under Regulation 16 (5) of the Accounts and Audit Regulations 1996 if the auditor's report requires amendment to the statement of accounts, income and expenditure account and balance sheet the responsible Officer shall report that amendment to the relevant body which approved the accounts as soon as reasonably practicable. Under the Council's Constitution, Full Council must approve the annual statement of accounts.
- 2.2 Whilst there have been some changes to the Statements as a result of the revaluation of fixed assets and the requirement to depreciate those assets with a finite useful life, these changes have not amended any revenue account balances nor any balance sheet reserves. However the requirement to remove an unrealised gain on the City Council's Investment Fund has resulted in the General Fund Reserve being reduced by some £46,416.
- 2.3 The Main Accounting Statements which have been subject to amendment are shown in Appendix A. A full copy of the Statement of Accounts are available from the City Treasurer's department upon request and should also be available on-line in the near future.

3. CONSULTATION

- 3.1 Consultation to Date.
Members of the public were given notice to inspect and make copies of the Statement of Accounts prior to the start of the Audit.
- 3.2 Consultation proposed.
Members of the public will be given notice to inspect and make copies of the Audited Statement of Accounts.

4. STAFFING/RESOURCES COMMENTS

Not applicable

5. CITY TREASURER'S COMMENTS

Included within the report

6. LEGAL COMMENTS

Not applicable

7. CORPORATE COMMENTS

Not applicable

8. RISK MANAGEMENT ASSESSMENT

Not applicable

9. EQUALITY ISSUES

Not applicable

10. ENVIRONMENTAL IMPLICATIONS

Not applicable

11. CRIME AND DISORDER IMPLICATIONS

Not applicable

12. RECOMMENDATIONS

A full copy of the 2000/01 Statement of Accounts, incorporating the Auditor's Certificate, is available from the City Treasurer's department upon request. The Main Accounting Statements which have been subject to amendment are enclosed at Appendix A and I would ask the Executive to note these amendments for 2000/01, prior to submission to Council for final approval

13. REASONS FOR RECOMMENDATIONS

As above

D THOMAS
City Treasurer

Contact Officer: Alison Taylor

Ext: 7289

SECTION 4-ACCOUNTING STATEMENTSCONSOLIDATED REVENUE ACCOUNT

1999/00 Net Expend £000	<u>Service</u>	2000/01 Gross Expend £000	2000/01 Gross Income £000	2000/01 Net Expend £000
10,115	Cultural, Environmental & Planning Serv	19706	9409	10297
155	Highways, Roads & Transport	4032	3927	105
2,048	Housing General Fund	12620	10038	2582
-90	Housing Revenue Account	21866	22198	-332
2,318	Central Services	3760	2323	1437
0	Democratic Representation & Management	1965	0	1965
0	Unapportionable Central Overheads	82	0	82
<u>14,546</u>	NET COST OF SERVICES	<u>64,031</u>	<u>47,895</u>	<u>16,136</u>
	<u>Other Items</u>			
212	Precepts paid to Parish Councils			228
-985	Total Net Surplus from DSOs			-840
448	(Surplus)/Deficit from Trading Operations			409
-1,855	Interest receivable			-2387
-661	Asset Management Revenue Account			2631
<u>11,705</u>	NET OPERATING EXPENDITURE			<u>16,177</u>
90	Surplus/(Deficit) from HRA Balances			332
50	Contributions to DSO Reserves			50
580	Contributions to HRA from DSO			486
-1,006	Contributions to/(from) Specified Reserves			-1213
0	Direct Revenue Financing			7
-54	Contributions to/(from) Capital Financing Reserves			-4176
750	Contribution to Capital Projects Reserve			0
31	Amortisation of Government Grants			38
<u>12,146</u>	AMOUNT TO BE MET FROM GOVERNMENT GRANT AND LOCAL TAXPAYERS			<u>11,701</u>
-4,456	Precept demanded from the Collection Fund			-4343
-14	Community Charge Surplus			-14
-34	Council Tax Surplus			-36
-3,909	Revenue Support Grant			-3811
-3,543	Contribution from Non-Domestic Rate Pool			-3924
<u>190</u>	(SURPLUS)/DEFICIT FOR THE YEAR			<u>-427</u>
5,341	Balance at beginning of the Year			5,151
-190	Surplus/(Deficit) for the Year			427
<u>5,151</u>	Balance at end of the Year			<u>5,578</u>

THE COLLECTION FUND

INCOME AND EXPENDITURE ACCOUNT

1999/00 £000		£000	2000/01 £000
	<u>Income</u>		
24,319	Council Tax		25,907
19,827	Income from Business Ratepayers		22,365
3,599	Transfers from General Fund - Council Tax Benefits		3,662
28	Contribution Adjustment of Previous Years' Community Charge		3
<u>47,773</u>	Total Income		<u>51,937</u>
	<u>Expenditure</u>		
20,807	Precepts and Demands		
2,459	- Cumbria County Council	22,281	
4,456	- Cumbria Police Authority	2,642	
	- Carlisle City Council	<u>4,343</u>	
			29,266
19,618	Business Rate		
176	- Payments to National Pool	22,157	
	- Allowance for cost of NDR collection	<u>179</u>	
			22,336
153	Bad and Doubtful Debts		
33	- Council Tax	80	
	- NDR	<u>30</u>	
			110
13	Contribution		
	- Towards previous years' estimated Collection Fund Surplus		14
34	- Adjustment of previous years' Community Charge		36
24	Movement on Fund Balance		175
<u>47,773</u>	Total Expenditure		<u>51,937</u>
	<u>Collection Fund Balance</u>		
342	Fund Balance at 1 April		366
24	Surplus/(Deficit) for Year		<u>175</u>
<u>366</u>	Fund Balance at 31 March		<u>541</u>

CONSOLIDATED BALANCE SHEET

	<u>31 March</u>	
	<u>2001</u>	<u>2000</u>
	<u>£000</u>	<u>£000</u>
Net Fixed Assets – Note 1		
Operational Dwellings	119,049	59,633
Operational Land & Buildings	20,009	20,159
Infrastructure Assets	1,108	174
Community Assets	972	951
Operational Vehicles & Plant	851	963
Non-Operational Investment	48,427	43,315
Non-Operational Assets Under Cons.	5,244	3,784
Non-Operational Surplus	<u>5,360</u>	<u>5,280</u>
Total Fixed Assets	201,020	134,259
Deferred Charges – Note 4	-	-
Long Term Investments	400	400
Long Term Debtors		
Transferred Debt – Cumbria CC	686	800
Mortgages and Other	<u>200</u>	<u>218</u>
	1,286	1,418
Total Long Term Assets	202,306	135,677
Current Assets		
Stocks & Work in Progress – Note 6	371	268
Debtors – Note 7	9,973	8,161
Payments in Advance	551	758
Investments – Note 5	33,335	32,808
Cash at bank and in hand	<u>132</u>	<u>9</u>
	44,362	42,004
Current Liabilities		
Creditors – Note 8	6,993	7,272
Temporary Loans	27	31
Cash Overdraft	138	146
Receipts in Advance	<u>1,750</u>	<u>1,792</u>
	8,908	9,241
Net Current (Liabilities)/Assets	35,454	32,763
	<u>237,760</u>	<u>168,440</u>

	<u>31 March</u>	
	<u>2001</u>	<u>2000</u>
	<u>£000</u>	<u>£000</u>
Financed by:		
Long Term Borrowing – Note 9	51,407	48,659
Deferred Credits – Note 10	52	67
Provisions – Note 11	<u>605</u>	<u>506</u>
	52,064	49,232
Deferred Grant Account	3,168	2,510
Usable Capital Receipts – Note 14	751	244
Capital Grants Unapplied	(9)	1
Reserve Balances – Note 13		
General Fund Unapplied	5,578	5,151
Direct Service Organisation	538	550
Repair & Renewals Reserve	2,366	2,100
Housing Revenue Account	3,654	3,322
Collection Fund	542	366
Airport Reserve	4	56
Large Projects Pool	2,842	4,362
Lanes Capital Fund	177	166
Residents Parking	45	-
Building Control Function	48	-
Capital Financing Reserve – Note 13	26,327	27,436
Fixed Assets Restatement Reserve	<u>139,665</u>	<u>72,944</u>
- Note 12		
	181,786	116,453
	<u>237,760</u>	<u>168,440</u>



 City Treasurer

CONSOLIDATED CASH FLOW STATEMENT

<u>1999/00</u> £000	£000	<u>2000/01</u> £000	£000
REVENUE ACTIVITIES			
<u>Expenditure</u>			
19,055 Paid on or on behalf of employees	19,163		
16,755 Other operating costs	17,216		
6,106 Housing Benefits	6,070		
18,492 NNDR Payments to the National Pool	24,049		
<u>23,478</u> Precepts paid	<u>25,152</u>		
83,886		91,650	
<u>Income</u>			
(9,970) Rents (after rebates)	(9,603)		
(22,766) Council Tax/Community Charge	(25,731)		
(19,548) Non-domestic rate income	(23,168)		
(3,909) Revenue Support Grant	(3,811)		
(3,891) Housing Subsidy	(4,536)		
(9,307) Other Government Grants	(9,521)		
(14,222) Cash received for Goods & Services	(12,938)		
<u>(3,543)</u> NNDR Receipts from the National Pool	<u>(3,924)</u>		
(87,156)		<u>(93,232)</u>	
(3,270) Revenue Activities Net Cash Flow (A)			(1,582)
SERVICING OF FINANCE			
<u>Expenditure</u>			
5,128 Interest paid	4,017		
0 Interest element of finance leases	0		
		4,017	
<u>Income</u>			
<u>(2,143)</u> Interest received	(1,789)		
		<u>(1,789)</u>	
2,985 Servicing of Finance Net Cash Flow (B)			2,228

<u>1999/00</u> £000		<u>2000/01</u> £000	£000
CAPITAL ACTIVITIES			
<u>Expenditure</u>			
5,159	Purchase of Fixed Assets	5,460	
2,068	Other Capital Payments	1,449	
<u>0</u>	Purchase of Long Term Investments	<u>0</u>	
7,227			6,909
<u>Income</u>			
(2,548)	Sale of Fixed Assets	(3,603)	
(977)	Capital Grants received	(1,734)	
<u>(122)</u>	Other Capital Receipts	<u>(132)</u>	
(3,647)			<u>(5,469)</u>
<u>3,580</u>	Capital Activities Net Cash Flow (C)		<u>1,440</u>
Net Cash (Inflow)/Outflow			
3,295	before Financing (A+B+C)		2,086
MANAGEMENT OF LIQUID RESOURCES			
Net Increase/(Decrease) in short-term			
(4,463)	deposits (D)		(281)
FINANCING			
<u>Expenditure</u>			
7,479	Loans repaid	256	
<u>0</u>	Principal element of finance leases	<u>0</u>	
7,479			256
<u>Income</u>			
(5,000)	New loans raised	(3,000)	
<u>(5)</u>	New short term loans	<u>0</u>	
(5,005)			<u>(3,000)</u>
<u>2,474</u>	Financing Net Cash Flow (E)		<u>(2,744)</u>
<u>1,306</u>	Net (Increase)/Decrease in Cash (F) =A+B+C+D+E		<u>(939)</u>

AUDITOR'S REPORT TO CARLISLE CITY COUNCIL

We have carried out the audit of the statement of accounts on pages 8 to 47 which have been prepared in accordance with the accounting policies applicable to local authorities as set out on pages 8 to 12.

Respective Responsibilities of City Treasurer and Auditor

As described on page 13 the City Treasurer is responsible for the preparation of the statement of accounts. It is my responsibility to form an independent opinion, based on our audit, on the statement and to report my opinion thereon.

Basis of Opinion

The audit was carried out in accordance with the Audit Commission Act 1998 and the Code of Audit Practice issued by the Audit Commission, which required compliance with relevant auditing standards.

The audit included examination, on a test basis, of evidence relevant to the amounts and disclosures in the statement of accounts. It also included an assessment of the significant estimates and judgements made by the Authority in the preparation of the statement of accounts and of whether the accounting policies are appropriate to the Authority's circumstances, consistently applied and adequately disclosed.

The audit was planned and performed so as to obtain all the information and explanations which I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that the statement of accounts is free from material misstatement, whether caused by fraud or other irregularity or error. In forming my opinion I have also evaluated the overall adequacy of the presentation of information in the statement of accounts.

Opinion

In my opinion the statement of accounts presents fairly the financial position of Carlisle City Council at 31 March 2001 and its income and expenditure for the year then ended.

Date : 21 December 2001

Signature :



Name of Organisation : District Audit