

HERTFORDSHIRE COUNTY COUNCIL

TUESDAY 16 SEPTEMBER 2003 AT 10.30 A.M.

Agenda Item No:

7

ANNUAL STATEMENT OF ACCOUNTS 2002/2003

Report of the Chief Financial Officer

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1. Purpose of Report

To seek approval to the County Council's 2002/2003 Statement of Accounts (attached).

2. Introduction

The 1996 Accounts and Audit Regulations require the County Council to approve the 2002/2003 Annual Statement of Accounts before 30 September 2003.

The Statement has been prepared on a Best Value basis in accordance with Chartered Institute of Public Finance and Accountancy recommended best practice and has been certified by the Chief Financial Officer.

It is still subject to District Audit inspection and if any changes to the statement are required as a result of that audit then they will be reported to the Council.

3. Outturn and General Balances

General Balances at 31 March 2003 as reported in the Statement of Accounts are £8.8m.

However the planning level of General Balances, excluding the impact of temporary capital funding of £8.3m, stands at £17.1m. The £8.3m represents the amount of capital expenditure needing to be financed at the year-end in advance of the related receipts.

Should a sufficient level of capital receipts be achieved in the current financial year, General Balances will be increased to this planning level by replacement of revenue funding of capital expenditure with capital receipts.

Within the Statement of Accounts, the consolidated revenue account (page 13) shows actual expenditure to be funded from government grants and local taxation of £854.2m. This includes £3.3m of temporarily increased revenue financing of capital expenditure to cover the unexpected delays in realising some capital receipts in 2002/03. The impact of this was reflected in the promised outturn figure for general balances reported to Cabinet.

4. Conclusion

The County Council's actual service expenditure outturn for 2002/2003 is as reported to Cabinet on 21 July 2003.

The Resource Budget presented to the County Council on 13 February 2003 forecast a level of General Balances at 31 March 2004 of £14.1m. The result of the 2002/2003 closure of accounts is that the forecast level of those balances is now £17.1m. However, the risk that not all capital receipts will be achieved in the timescales currently projected remains. The movement to the revised forecast level of balances is shown in the following table: -

	£m
Forecast General Balances at 31 March 2004 per Resource Budget Closure 2002/2003	14.1
Revenue Underspends	4.2
Carry forward of revenue underspends	<u>(1.2)</u>
Latest forecast of General Balances at 31 March 2004	<u>17.1</u>

Background information referred to by the authors in compiling this report

Report to Cabinet – 21 July 2003
Accounts and Audit Regulations 1996

If you would like to know more about the issues referred to in this report please contact Andrew Nightingale, Assistant Finance Director (Tel: 01992 555331).