

NORTH LONDON WASTE AUTHORITY	
<u>Report Title:</u> 2004/2005 STATEMENT OF ACCOUNTS	
<u>Report of:</u> FINANCIAL ADVISER	
<u>For Submission to:</u> AUTHORITY MEETING	<u>Date:</u> 19 OCTOBER 2005
<p><u>Summary of Report</u></p> <p>The 2004/05 draft Statement of Accounts was presented to and approved by the Authority at its meeting on 6 July 2005 and submitted to Deloitte & Touche for audit. Deloitte & Touche is required to report to Members in advance of issuing a formal opinion on the Authority's statutory accounts. The Auditor's report advises that they have completed their audit and will be issuing an unqualified audit opinion on the 2004/05 accounts. The accounts must be published by 31 October 2005.</p> <p>This report summarises the key findings of the Deloitte & Touche report and presents the revised Statement of Accounts for 2004/05 for approval.</p>	
<p><u>Recommendations</u></p> <ol style="list-style-type: none"> 1. Note the Auditor's report. 2. Confirm the Financial Adviser's assessment that the unadjusted misstatements in Appendix 2 of the Auditor's report are not material. 3. Authorise the Financial Adviser to sign the letter of representation. 4. That the Authority's 2004/2005 Statement of Accounts is approved and the Chair be authorised to sign it accordingly. 	

Signed by the Financial Adviser:

Date:

3. **2004/2005 STATEMENT OF ACCOUNTS**

- 3.1 The Authority's draft statement of accounts was presented to and approved by the Authority on 6 July 2005 as required by the Accounts and Audit Regulations 2003. The current report presents a revised statement resulting from the audit of accounts that has taken place over the summer.
- 3.2 As reported to the Authority in presenting the accounts for 2003/04 and the draft statement of accounts for 2004/05, the preparation and audit of accounts are now part of an accelerated statutory timetable. The presentation of accounts and audit for 2004/05 has taken place within statutory deadlines.
- 3.3 As the responsible financial officer, the Financial Adviser is required to report back to the Authority on any material amendments made as a result of the audit. The revised statement is attached at Appendix A to this report.
- 3.4 The changes arising from the audit of the accounts are such that general fund balances are unchanged from those reported in the draft Statement of Accounts at £6.354m. Changes have been largely textual in nature except in the case of the FRS17 valuation of the Authority's unfunded pension fund liabilities for former NLWA employees who are now retired. Compared with the actuarial valuation at 31 March 2004 of £0.538m this figure has deteriorated by a further £0.021m to £0.559m at 31 March 2005 after allowing for payments of £0.030m during the course of the year. The actuarial valuation was not available in July and therefore the Authority's Balance Sheet has been updated to reflect this change.
- 3.5 The auditing standards placed on the external auditor, Deloitte & Touche, require that the auditor also makes a report at this time, and this is attached at Appendix B.
- 3.6 Appendix 2 of the Auditor's report draws attention to 2 misstatements with a combined value of £45,643. In both cases it was established that some invoices (fridges and freezers and consultancy and meeting costs in respect of the North London Recycling Forum - NLRFF) relating to the 2004/05 financial year that were received after the closure of the accounts had not been taken into account when calculating the year-end creditor. The impact on the Authority's financial position at 31st March 2005 is not material and therefore it is recommended that the expenditure be counted as a cost in 2005/06. The cost of the fridges and freezers creditor (£33,329) can be funded from the price reduction that has been negotiated for the treatment of appliances as from 1 April 2005, and the consultancy and meeting costs (£12,314) can be met from the 2005/06 budget for the Waste Strategy and Contract Group.
- 3.7 The Auditor's report indicates that they have completed their audit and are issuing an unqualified audit opinion on the 2004/05 accounts.
- 3.8 A draft letter of representation is included at Appendix 1 to the Auditor's report. The Authority is requested to authorise the Financial Adviser to sign this letter on behalf of the Authority.

3.9 The Authority is asked to approve the revised Statement of Accounts and authorise the Chair to sign it accordingly.

4. **COMMENTS OF THE LEGAL ADVISER**

4.1 The Legal Adviser has no comments to add to this report.

Local Government Act 1972 – Section 100 as amended

Documents used in the preparation of this report:

Accounts and Audit Regulations 2003 (SI 2003/533)
Audit Practices Board Statement of Auditing Standards 610 Revised
Report to the North London Waste Authority by Deloitte & Touche – October
2005 (Final Report)

Contact Officer: R A Bench
Finance Officer to the NLWA
Finance Department
London Borough of Camden
Town Hall
Argyle Street
London WC1H 8NG

Tel: 020 7974 5945
Fax: 020 7974 1948
Email: robert.bench@camden.gov.uk

rb/nlwa/D&Treport191005