

**STATEMENT OF ACCOUNTS COMMITTEE**

**26 June 2006**

Attendance:

Councillors:

Beckett (Chairman) (P)

Allgood (P)  
Busher (P)  
Clohosey (P)  
Hollingbery (P)

Learney (P)  
Macmillan (P)  
Verney (P)  
Wagner

Deputy Member:

Councillor Collin (Standing Deputy for Councillor Wagner)

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1. **APPOINTMENT OF VICE-CHAIRMAN**

RESOLVED:

That, as it was very unlikely there would be further meetings of the Committee during the 2006/07 Municipal Year, no Vice-Chairman be appointed.

2. **MINUTES**

The Minutes of the meeting of the Committee held on 26 July 2005 were approved and adopted.

3. **STATEMENT OF ACCOUNTS 2005/06**

(Report SA4 refers)

Councillor Allgood declared a personal (but not prejudicial) interest in the above report, because it referred in part to pension issues and he was a Trustee of the Hampshire Pensions Fund. He remained in the meeting and spoke and voted thereon.

The Assistant Director of Finance informed the meeting that a revaluation of all Council assets would take place within the current financial year to allow compliance with changes to Government accounting regulations. He confirmed that currently assets were valued at least every five years.

He continued that the draft Statement had been submitted to the Council's appointed auditors (PricewaterhouseCoopers) and that there had been no comments made so far. PwC would start their audit of the Accounts shortly. Members noted that the Accounts would be open for public inspection from 28 August to 25 September and Tuesday 26 September 2006 was the most likely date to be set for the public to ask questions of the Auditor.

There was some discussion on the Financial Reporting Standard covering valuation of pension fund liabilities (FRS17). It was confirmed that FRS17 was a long term projection of what the possible liability for pensions could be in the future and the notes in the accounts explained the basis for and calculation of these liabilities and how they were to be accounted for. The pension fund was managed by Hampshire County Council. There was the potential for the current higher level of employers' contributions to reduce in the future if pension fund investments improved, or more people paid into the pension scheme.

In response to a Member's question, it was confirmed that the Director of Finance had the authority to borrow for short-term cash flow purposes with a guideline limit of up to £3 million. This was only done about five times per year and it would not normally be reported in the Statement, but had to be included in the 2005/06 accounts as the borrowing had been in place at 31 March 2006.

The Committee then considered in detail the Statement appended to Report SA4. Additional comments in some of the explanatory notes were agreed for inclusion and it was:

RESOLVED:

That the Statement of Accounts 2006/07 be approved.

4. **RETIREMENT OF MR F LYON (ASSISTANT DIRECTOR OF FINANCE)**

Members thanked Mr Lyon for his guidance, hard work and support over many years of service with the City Council and wished him a very happy retirement.

The meeting commenced at 2.30 pm and concluded at 3.45 pm.

Chairman