

## **ABOUT THE ACCOUNTS**

The Statement of Accounts presents the overall financial position of the Authority for the year ended 31<sup>st</sup> March 2007. The Accounts are produced in the format stipulated by the Chartered Institute of Public Finance and Accountancy (CIPFA) in accordance with best accounting practice. The 2006 SORP introduced a number of key changes to the accounts. The consolidated Revenue Account has been replaced by an Income and Expenditure Account, and a Statement of Movement on the General Fund Balance. A Statement of Total Recognised Gains and Losses has been introduced which replaces the previous Statement of Movement in Reserves.

### **Review of the Year**

This section provides a summary review of performance during the year and of key areas which impact on the Council's financial position.

### **Statement of Accounting Policies**

The accounting policies and procedures adopted by the County Council are described in this section.

### **The County Council's Accounts**

This section is the detailed review of the County Council's financial position and follows the format prescribed by CIPFA. The accounts include five core statements (Income & Expenditure Account, Statement of Movement on the General Fund Balance, Statement of Total Recognised Gains and Losses, Balance Sheet and Cash Flow Statement). These statements are supported by a detailed set of notes.

### **The Group Accounts**

This section combines the County Council's financial performance and that of its subsidiaries and associate companies. The accounts include the same five core statements as within the County Council's accounts together with any additional supporting notes required to facilitate an understanding of financial performance. The statements have been amended to reflect group performance. As these accounts do not form the basis for setting Council Tax, they have been prepared in accordance with UKGAAP (UK Generally Accepted Accounting Principles) as is required by the SORP (Statement of Recommended Practice).

### **Pension Fund Accounts**

Where pension schemes have been established independently of Government, the Council has an obligation to provide a financial review. The County Council has two such schemes: the Local Government Pension Scheme for Cumbria and the Cumbria Firefighters Scheme. In this section, accounts are provided for both these schemes. The Local Government Pension Scheme also includes contributions and the related assets due to members who are not present or past employees of the County Council as the Scheme is open to a number of non-related external and public service bodies.

**Statement of Responsibilities and Council Approval**

This section details the financial responsibilities of the County Council and confirms the date when the Council approved these Statements of Account.

**Statement on internal control and systems of internal financial control**

This statement identifies the internal control processes and their effectiveness.

**Auditor's Report**

This is the External Auditor's report and their opinion on the accounts.

**Glossary**

This is a glossary of financial terms provided to assist the reader.