

CATALOGUE SUPPLIES SERVICE JOINT COMMITTEE

13th November, 2008

REPORT OF THE TREASURER

1 LETTER OF REPRESENTATION

Auditing standards require our auditors, KPMG, to obtain representations from the Committee on certain matters material to their opinion. The letter, which is attached as Appendix 1, confirms to the best of our knowledge and belief, having made appropriate enquiries of other officers of the Catalogue Supplies Joint Committee, certain assurances to the auditors regarding the financial statements for Catalogue Supplies Joint Committee for the year ended 31 March 2008.

The “Report To Those Charged With Governance” which appears later in my report mentions that the Committee should consider the various issues facing the business and conclude on the continuing appropriateness of the going concern convention in the accounts. A departure from the going concern would be necessary if an organisation had made a decision to terminate operations.

This convention presumes an organisation will continue to exist and trade normally without the intention or threat of liquidation for the foreseeable future, usually regarded as at least within 12 months. Irrespective of the Service Review reported later on the Agenda that remains my view. Departing from this convention would mean fundamental changes to the Joint Committee’s accounts for 2007/08, reducing the value of the stock by approximately 20% and introducing a reserve for losses on trading in a closedown situation, redundancies etc of around £400k leaving only a small value of other reserves for future investment.

Following cost cutting measures the current financial monitoring situation envisages a break-even situation and next year’s budget is also prepared on a break-even basis. It is therefore not considered necessary that a departure from the going concern convention is appropriate. Consequently, the following paragraph has been included in the letter of representation.

“Having considered the plans for the organisation and its ability to pay its creditors for the next twelve months, the Committee has confirmed that the going concern accounting concept remains appropriate for the financial statements for the year ended 31 March 2008.”

RECOMMENDATION

It is recommended that the Joint Committee approve the Letter of Representation.

2 REPORT TO THOSE CHARGED WITH GOVERNANCE

The audit of the Statement of Accounts for 2007/08 incorporating the Annual Governance Statement has been completed and attached as Appendix 2 is the "Report to those charged with governance" produced by our auditors. It is hoped that Mr Ian Pennington, Director of KPMG LLP (UK) will be in attendance to explain the report and answer any questions.

RECOMMENDATION

It is recommended that the Joint Committee approve the "Report to those charged with governance".

3 STATEMENT OF ACCOUNTS 2007/2008

The Statement of Accounts and Annual Governance Statement were presented to this committee and explained in detail at the meeting of June 26, before the commencement of the audit. The post audit version is attached as Appendix 3.

The results of the audit have been reported in item 2. There have been a number of typographical and presentational changes to better comply with the new SORP (Statement of Recommended Practice) for Local Authority Accounts which were considered trivial and not individually reported. The originally reported surplus of £130k remains the same.

RECOMMENDATION

It is recommended that the Joint Committee approve the audited Statement of Accounts for 2007/08.

Gareth Moss BA (Hons) CPFA

Corporate Director –Resources - Bridgend C.B.C.

Treasurer