

Meeting:	Audit & Governance Committee	Date:	26th February 2013
Subject:	2011/12 Statement of Accounts		
Report Of:	Corporate Director of Resources		
Wards Affected:	All		
Key Decision:	No	Budget/Policy Framework:	No
Contact Officer:	Peter Gillett, Corporate Director of Resources		
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Appendices:	1. Statement of Accounts 2011/12		
	2. Draft Minutes of the Audit & Governance Committee meeting held on 26 November 2011		

FOR GENERAL RELEASE

1.0 Purpose of Report

- 1.1 To introduce the external auditors, KPMG, and their opinion on the Council's Statement of accounts and to approve the final version of the Statement of Accounts 2011/12, including changes arising as a result of the audit process.

2.0 Recommendations

- 2.1 Audit & Governance Committee is asked to **RESOLVE:**

- (1) Approve the audited Statement of Accounts for the year ending 31 March 2012, and
- (2) That the Corporate Director of Resources and Chair of the Audit & Governance Committee be authorised to sign a letter of representation on behalf of the Committee and Council to KPMG, to enable the audit opinion to be issued.

3.0 Background and Key Issues

- 3.1 In accordance with requirements under the requirements under the Accounts and Audit (England) Regulations 2011, the Council is required by 30 June to sign and date the Statement of Accounts and certify that it presents a true and fair view of the financial position of the Council at the end of March 2012 and its income and expenditure.
- 3.2 As reported in previous meetings, Committee members will be aware that the Director of Resources made the decision that was unable to do so, given the lack of assurance available to him - having reported this to the external auditor, and via KPMG, the Audit Commission.

- 3.3 It is now necessary however, to ensure the accounts are properly certified following the conclusion of the audit, in accordance with those requirements.
- 3.4 Regulation 8 requires that the Statement of Accounts should be signed and dated by the Chair presiding at the Audit Committee meeting at which approval is given. It also requires the Statement of Accounts to be published with the Independent auditor's report, which is included as a separate item on the committee agenda. (ISA260 report to those charged with governance 2011/12)
- 3.5 The Statement of Accounts is comprised of four main statements as required by International Financial Reporting Standards which are:-

Movement in Reserves Statement:

This is split between usable & unusable reserves and shows the detail of movement in reserves, from the surplus/ (deficit) on provision of services in the Comprehensive Income & Expenditure Statement, to the position on the Balance Sheet at 31 March

Comprehensive Income & Expenditure Statement:

This combines the income & expenditure account and the former Statement of Recognised Gains & Losses which were previously shown as separate statements. The 'below the line' funding & accounting entries for items such as depreciation, impairment, grants and pension adjustments are shown in the notes to the accounts

Balance Sheet:

Shows the assets and liabilities of the Authority.

Cash Flow Statement:

This shows the year on year change in cash and cash equivalents.

4.0 Future Work and Conclusions

- 4.1 Further explanations can be found in the Explanatory Forward of the Statement of Accounts. At the meeting, the Director of Resources will introduce this report, and outline steps taken to conclude the process for production of the final statement, and the Interim Finance Change Manager will present a summary of the accounts and key issues in preparing the final version, which is enclosed at Appendix 1.
- 4.2 A draft letter of representation is also attached to the Auditor's report, which this Committee needs to approve the signature of. This deals with the processes and procedures the Council adopts to ensure that it is in compliance with statutory requirements, laws and regulations and also that it has a sufficiently robust management system to prevent and detect fraud and irregularities.

5.0 Legal Implications

- 5.1 The report complies with the Council's responsibilities under the Accounts and Audit (England) Regulations 2011 and the relevant sections of DCLG Circular 03/2006 - Guidance on the Accounts and Audit Regulations 2003.

6.0 Financial Implications

6.1 The financial implications are detailed in the report and Appendix 1.

7.0 People Impact Assessment (PIA):

7.1 This report is purely financial in nature therefore a PIA is not required.

8.0 Other Corporate Implications

Community Safety

8.1 There are no community safety implications.

Sustainability

8.2 There are no sustainability implications.

Staffing & Trade Union

8.3 There are no staffing implications.

Background Documents:

- Accounts and Audit Regulations (England) 2011
- Code of Practice on Local Authority Accounting in the United Kingdom 2011/12 (the 'Code')