

Audit Committee	Agenda Item: 4
Meeting Date	19 September 2011
Report Title	Annual Governance Report and Statement of Accounts 2010-11
Portfolio Holder	Cabinet Member for Finance and Performance: Cllr Duncan Dewar-Whalley
SMT Lead	Nick Vickers, Head of Finance
Head of Service	Nick Vickers, Head of Finance
Lead Officer	Phil Wilson, Chief Accountant

Recommendations	<p>Members are asked to :</p> <ol style="list-style-type: none"> 1. take note of the adjustments to the financial statements which are set out in the Annual Governance Report (see Appendix 2 of Appendix I); 2. approve the letter of representation (see Appendix 3 of Appendix I) on behalf of the Council; 3. agree the response detailed below to the proposed action plan (Appendix 5 of Appendix I) and note the progress made by the Council in addressing previous recommendations. 4. note the external auditor's Annual Governance Report (Appendix I).. 5. approve the Statement of Accounts for the year ended 31 March 2011 (Appendix II).
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1. Purpose of Report and Executive Summary

- 1.1 This report seeks the Audit Committee's approval of the Council's accounts for 2010-11 and also includes the external auditor's Annual Governance Report for their consideration.

2. Background

Annual Governance Report

- 2.1 The Audit Commission is required each year to give a formal opinion on the Statement of Accounts and reach a conclusion as to whether the Council has proper arrangements for securing value for money. This report summarises their findings in relation to the 2010-11 financial year. The report is attached as appendix I. Mr Mack (the District Auditor) will present this report to the Committee on 19 September.

Statement of Accounts 2010-11

- 2.2 The Statement of Accounts 2010-11 is attached in Appendix II. The Head of Finance has signed the accounts to certify that in his view they present a true and fair view of the financial position of the Council.
- 2.3 Under the 2010 Accounts and Audit Regulations the Committee only had to agree the Annual Governance Statement by 30 June, not the full accounts. Legally the Council has to have its accounts agreed by the Committee by 30 September. The changes to the timescales means that members have more time to consider the accounts, which they received in August, and can reflect on the external auditor's comments in the Annual Governance Report.

3. Proposal

- 3.1 The Annual Governance Report (Appendix I) notes that: "I am pleased to report that the Council has improved the quality of accounts preparation compared to last year, with better working papers and fewer amendments to the draft statements. It has also dealt successfully with the challenges posed by the first year implementation of International Financial Reporting Standards (IFRS). " In addition Appendix 5 shows that all prior year recommendations have been met and either there were no issues in 2010-11 or the necessary improvements had been implemented.
- 3.2 The Annual Governance Report includes a three point action plan for the Council in Appendix 5. The Council proposes that all three recommendations will be implemented in the course of 2011-12 as requested.
- 3.3 The Annual Governance Report details corrected and uncorrected errors and the Head of Finance and Chief Accountant can provide more details if required at the meeting.
- 3.4 The Statement of Accounts for the year ended 31 March 2011 are attached as Appendix II. The Head of Finance and Chief Accountant propose that the discussion of the Accounts be structured based on the format of the accounts, ie:
 - 3.4.1 explanatory foreword;
 - 3.4.2 annual governance statement;
 - 3.4.3 movement in reserves statement and notes;
 - 3.4.4 comprehensive income and expenditure statement and notes;
 - 3.4.5 balance sheet and notes;
 - 3.4.6 other notes;
 - 3.4.7 collection fund and notes.

4. Consultation Undertaken or Proposed

4.1 Consultation has taken place with the Audit Commission throughout this process.

5. Implications

Issue	Implications
Corporate Plan	Delivering a high quality Statement of Accounts is important for the objective of becoming a high performing Council.
Financial, Resource and Property	The District Auditor's opinion is that the Authority accounting statements give a true and fair view of the financial position of the Authority as at 31 March 2011 and its income and expenditure for the year then ended.
Legal and Statutory	The production of the Statement of Accounts is a legal requirement under the 2010 Accounts and Audit regulations.
Crime and Disorder	No direct issues
Risk Management and Health and Safety	No direct issues
Equality and Diversity	No direct issues
Sustainability	No direct issues

6. Appendices

6.1 The following documents are to be published with this report and form part of the report:

6.1.1 Appendix I: Statement of Accounts 2010-11.

6.1.2 Appendix II: Annual Governance Report

7. Background Papers

7.1 Detailed working papers are held in the Finance Department.