

Audit Committee		Agenda Item:
Meeting Date	19 September 2012	
Report Title	Annual Governance Report and Statement of Accounts 2011-12	
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. note the external auditor's Annual Governance Report (Appendix I).. 2. note the adjustments to the financial statements which are set out in the Annual Governance Report (see Appendix 2 of Appendix I); 3. approve the letter of representation (see Appendix 3 of Appendix I) on behalf of the Council; 4. 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. 5. approve the Statement of Accounts for the year ended 31 March 2012 (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 2011-12 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 2011-12 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 2011-12

- 2.2 The Statement of Accounts 2011-12 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 2011 Accounts and Audit Regulations the Committee only has 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 July, 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: "The Council's previous accounts demonstrated an improvement and were prepared to a high standard and I am pleased to report that the Council demonstrated a continued commitment to improve the quality of accounts preparation, with better working papers and significantly fewer amendments to the draft statements compared to last year. Good progress has also been made in respect of prior year recommendations..... This represents an improvement to the high standard set by the Council in the prior year."
- 3.2 Appendix 5 shows progress made on all prior year recommendations. One of these, relating to Disaster Recovery has been included as a recommendation for the current year.
- 3.3 The Annual Governance Report includes a six point action plan for the Council in Appendix 5. The Council proposes that recommendations 1 and 2 will be implemented in the course of 2012-13 as requested. Recommendations 3 and 5 relate to Council policies and therefore the proposal is that the Audit Committee note these recommendations which will be considered by the Asset Management Group and the Asset Transfer Group prior to reporting to Cabinet for their consideration and decision. Recommendation 4 will be added to the Community Asset Transfer Policy in 2012-13 and considered as an option within Cabinet reports on asset transfers/ disposals. Recommendation 6 will be met as the Property Asset Strategy 2012-15 states that the strategic asset review will inform any future asset disposals (including community asset transfers).
- 3.4 The Annual Governance Report details two corrected errors (appendix 2) and the Head of Finance and Chief Accountant can provide more details if required at the meeting.
- 3.5 The Statement of Accounts for the year ended 31 March 2012 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, i.e.:

- 3.5.1 explanatory foreword;
- 3.5.2 movement in reserves statement and notes;
- 3.5.3 comprehensive income and expenditure statement and notes;
- 3.5.4 balance sheet and notes;
- 3.5.5 other notes;
- 3.5.6 collection fund and notes.
- 3.5.7 annual governance statement;

4. Consultation Undertaken or Proposed

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

5. Implications

Issue	Implications
Corporate Plan	Embracing Localism; Open for Business Healthy Environment
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 2012 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 2011 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: Annual Governance Report

6.1.2 Appendix II: Statement of Accounts 2011-12.

7. Background Papers

7.1 Detailed working papers are held in the Finance Department.