

BODY: **AUDIT COMMITTEE**
DATE: **28 September 2011**
SUBJECT: **Statement of Accounts 2010/11**
REPORT OF: **Financial Services Manager**

Ward(s): All

Purpose: To agree the audited accounts for 2010/11 under powers delegated by the Council.

Decision Type Key decision

Contact: Pauline Adams, Financial Services Manager. Telephone Number 01323 415183

Recommendations: Members are asked to -

- i) Agree the action taken in respect of the non-trivial but not material errors identified by External Audit.
- ii) Approve the final audited accounts for 2010/11.

1.0 Introduction

- 1.1** The Accounts and Audit Regulations 2011, the Audit Commission Act 1998, the Code of Audit Practice (issued by the Audit Commission) and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in Great Britain (the SORP) set out the requirements for the production and publication of the annual Statement of Accounts.
- 1.2** The regulations require that an appropriate body should approve the audited Statement of Accounts after they have been certified by the Chief Financial Officer within six months of the financial year end i.e. by 30 September.
- 1.3** The Committee noted the draft accounts for 2010/11 on 29 June 2011.

Audit of Accounts

- 2.1** PKF has now issued the draft ISA260 Annual Governance Report which is included as a separate report to this committee.
- 2.2** PKF has indicated that subject to satisfactory completion of the outstanding work it is anticipated that an unqualified audit opinion on both this Council's accounting statements and the group accounting statements will be issued. The opinion is expected to be given before the statutory deadline of 30 September.

3.0 Key issues arising from the audit.

3.1 There have been only minor changes to the accounts between June and the current position. These are mainly presentational and a revised copy of the statement of accounts is attached to this report. .

3.2 The following three accounting items were identified as being non-trivial but not material and it is recommended that no action be taken to adjust the accounts for the reasons set out below:

- The council has just been made aware that £90,000 is due from the concessionary fares scheme. The effect of this in 2010/11 would have been to increase the reserves position by 1% but given the late date of this notification it is considered that the most appropriate action is to account for this in 2011/12 leaving the council in no different financial position as at 31.3.12.
- .A capital accrual for the value of £50,000 for housing capital expenditure was missing in error but as this only represents 0.002% of capital expenditure it is not consider significant enough to warrant amending the accounts. This will be picked up in 2011/12 as actual expenditure.
- The introduction of the Internal Financial Accounting Standards has meant that for the first time the value of non cash staff costs for outstanding leave as at 31 March is to be included in the accounts as an accrual. This value was calculated at £90,000 but as this only represents 0.8% of total payroll costs it is not consider significant enough to include.

4.0 Conclusions

4.1 The process for the 2010/11 audit and statement of accounts presentation represent a further significant improvement to previous years in terms of timeliness and accuracy.

5.2 An unqualified audit opinion is expected to be issued by 30 September by PKF.

Background Papers:

The Background Papers used in compiling this report were as follows:

Annual Governance Report 2010/11
