
Audit and Governance Committee

27 September 2012

Report of the Director of Customer & Business Support Services

Final Annual Financial Report - Statement of Accounts 2011/12

Summary

1. The purpose of this report is to bring to Members a revised and final set of Accounts for 2011/12, which reflect the changes that have been made since the draft pre-audit accounts were presented to Audit and Governance Committee for review, in line with CIPFA best practice, on 25th July 2012.
2. The Audit Commission commenced their audit of the Annual Financial Report - Statement of Accounts 2011/12 at the beginning of August and the following item on the agenda:
Annual Governance Report – Audit Commission will present to Members the findings of their audit.
3. This report is for Members to Note the Annual Financial Report - Statement of Accounts 2011/12. Members will then approve the Annual Financial Report – Statement of accounts 2011/12 following consideration of the Annual Governance Report – Audit Commission, which follows on this agenda.

Background

4. The draft pre-audit Annual Financial Report - Statement of Accounts for 2011/12 were signed by the Chief Finance Officer – Director of Customer & Business Support Services – on 29 June 2012. This is in accordance with the revised Accounts and Audit Regulations 2012, which require authorisation by 30 June each year.
5. The Annual Financial Report - Statement of Accounts 2011/12 has been prepared in accordance with the CIPFA Code of Practice on Local Authority Accounting in the UK, in line with International Financial Reporting Standards (IFRS).

6. The 2011/12 Annual Financial Report - Statement of Accounts attached at Annex A have been revised since the Audit & Governance Committee review in July 2012. The 4 core statements (Comprehensive Income & Expenditure Accounts, Movement in Reserves Statement, Balance Sheet and Cash flow Statement) have been adjusted which has resulted in the notes to the accounts also being amended.
7. It should be noted that these changes have no affect on the budget outturn net expenditure position of the council which has remained at £124.2m. The changes to the Statement of Accountants are accounting adjustments to ensure they present a true & fair view.
8. The 2011/12 audit is now substantially complete. The audit commission summarise their review of the Annual Financial Report - Statement of Accounts 2011/12 in their Annual Governance Report (AGR), which is included in this agenda. The AGR encapsulates the following points:
 - (a) opinion on the financial statements
 - (b) errors adjusted by management
 - (c) significant risks and findings
 - (d) weaknesses in Internal Control
 - (e) Other matters
 - (f) Whole of Government AccountsFurther information is detailed in the Audit Commission's AGR.
9. The annual production of the Annual Financial Report - Statement of Accounts 2011/12 is the subject of continuous review and as usual, lessons will be gleaned from the issues identified this year. It was pleasing to note that Accountants and Accounting Technicians across CYC worked well as a team in 2011/12 to ensure that statutory deadlines were adhered too.
10. The issues identified in 2011/12 form the basis of a structured improvement programme in the build up to the production of next years Financial Report - Statement of Accounts 2012/13 which will focus on:
 - (i) enhanced project planning to ensure tighter more efficient deadlines are achieved
 - (ii) increased frequency of meetings with the new external auditors – Mazars
 - (iii) further specific training sessions / communication with accountants / accounting technicians

Consultation

11. All services areas of the Authority have contributed to the final Annual Financial Report - Statement of Accounts and working papers.

Options

12. Not relevant for the purpose of the report. It is a statutory requirement to produce an Annual Financial Report – Statement of Accounts every year by 30 September.

Analysis

13. Not relevant for the purpose of the report.

Corporate Priorities

14. The Annual Financial Report - Statement of Accounts provides a technical financial summary of the activities of the council and assists in providing the Council with a viable financial position in which to base its future budget projections. It is a statutory requirement that the Audit & Governance Committee approves the Statement of Accounts after the audit by 30 September 2012.

Implications

15. There are no financial, HR, equalities, legal, crime and disorder, IT or property implications arising from this report.

Risk Management

16. Areas of risk identified throughout the Annual Financial Reporting Statement of Accounts process are monitored and managed on an ongoing basis to ensure the statutory deadline is met. The risks identified in 2011/12 are listed in the Audit Commission Annual Governance Report at item xx on this agenda and include:
 - The inclusion of Heritage Assets for the first time under the CIPFA Code of Practice for Local Authorities
 - The valuation of property and the complexity of the regulations
 - Preparation of the accounts ensuring a consistent approach as all Accountants across the authority are involved
17. The Audit Commission with the overall production of the Annual Financial Report – Statement of Accounts and plan to issue an

audit report including an unqualified opinion on the financial statements.

Recommendations

18. Members are asked to Note the Final Annual Financial Report - Statement of Accounts for 2011/12 in order that they can receive the Annual Governance Report of the Audit Commission also included on this agenda.
(The Annual Financial Report – Statement of Accounts 2011/12 will be approved by members following the Annual Governance Report - Audit Commission.)

Reason

It is a statutory requirement that a committee of the Council or Full Council approves the Statement of Accounts for 2011/12 by 30 September 2012

Contact Details

Author:

Louise Branford-White
Technical Finance Manager
Telephone: 01904 551187

Chief Officer Responsible for the report:

Ian Floyd
Director of Customer & Business Support Services
Telephone: 01904 551100

Report
Approved



Date 27/09/12

Specialist Implications Officers

Not applicable

Wards Affected:

All

For further information please contact the author of the report

Background Papers:

Audit and Governance Committee 27^h July 2012 – Pre-Audit Statement of Accounts 2011/12

Annex

Annex A – Final Statement of Accounts 2011/12