
Audit and Governance Committee

19 April 2011

Report of the Assistant Director of CBSS (Financial Services)

Summary of Audit Commission National Reports

Summary

1. This paper gives a brief overview of national reports produced by the Audit Commission (AC), which are all available to view on the Audit Commission website. The last summary, presented to the Audit & Governance Committee in December 2010, covered reports up to 31 October 2010, and the current summary continues from that point up to 30 April 2011. Whilst this report is for information only, it may prompt a request for a more detailed response from council officers, where the content of a specific report may impact on the governance or internal control arrangements of the council.
2. Since the last report was received by this Committee, no new national studies published by the Audit Commission. However there have been two briefing papers on the implementation of IFRS. Summaries of these papers are provided below and the content is also referred to elsewhere on this agenda (*IFRS Update* and *Audit Commission Progress Report*).

Background

Report Summaries

3. **IFRS: Reporting on Operating Segments
(Published October 2010)**

The latest technical briefing paper in the Audit Commission's series on implementing International Financial Reporting Standards (IFRS) in local government is 'Reporting on operating segments: Countdown to IFRS in local government'. The paper covers principles and practical issues that authorities should consider when reporting on operating segments.

4. **The Final Countdown: IFRS in Local Government
(Published March 2011)**

The briefing paper covers IFRS implementation in councils, police authorities and fire and rescue authorities. The paper:

- makes comparisons with an overall assessment taken in November 2009 and July 2010;

- looks at how far authorities have progressed with key steps such as the restatement of 2009/10 accounts;
- highlights the technical aspects of financial reporting that have raised issues for authorities; and
- sets out key actions for authorities at this stage.

The overall message is that even those authorities with issues to resolve still have time to implement IFRS successfully, if they take appropriate action. However, they need to act now, as problems that arise later in the final accounts period may lead to added costs for the authority or material errors in draft accounts.

Consultation

6. The council's corporate Policy Officer has been consulted on the list of reports in this paper.

Options

7. Not relevant for the purpose of the report.

Analysis

8. Not relevant for the purpose of the report.

Corporate Priorities

9. This report contributes to the overall effectiveness of the council's financial, governance and assurance arrangements in the achievement of all its priorities, and in particular the Effective Organisation theme of the Corporate Strategy.

Implications

10.
 - (a) **Financial** – There are no implications.
 - (b) **Human Resources (HR)** - There are no implications.
 - (c) **Equalities** - There are no implications.
 - (d) **Legal** - There are no implications.
 - (e) **Crime and Disorder** - There are no implications.
 - (f) **Information Technology (IT)** - There are no implications.
 - (g) **Property** - There are no implications.

Risk Management

11. By not considering the content of Audit Commission Reports, the council could fail to properly comply with best practice requirements.

Recommendations

12. Members are asked to note the report and comment on any areas for further consideration by the Committee or by officers.

Reason

To ensure that the council can benchmark, learn from and meet best practice requirements derived from external audit national activity and enhance its governance frameworks as a result.

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Report Approved

Date 04.04.11

Specialist Implications Officers

Not applicable

Wards Affected: Not applicable

All

For further information please contact the author of the report

Background Papers:

Audit Commission Reports as follows:

- IFRS: Reporting on Operating Segments
- The Final Countdown: IFRS in Local Government