

AUDIT COMMITTEE

Statement of Accounts 2010/11 21 September 2011

Report of Head of Financial Services

PURPOSE OF REPORT

This report seeks Member approval for the 2010/11 audited accounts, to allow the completion of financial reporting for last year.

This report is public.

RECOMMENDATIONS

1. That the Committee notes the report for 2010/11 issued by the Council's External Auditors and the letter of representation to be signed by the s151 Officer.
2. That the audited Statement of Accounts for the financial year ended 31 March 2011 be approved and that the Chairman signs and dates the Accounts accordingly.

REPORT

- 1.1 At the last Committee meeting Members were informed of recent changes to the Accounts and Audit Regulations.
- 1.2 In accordance with the new requirements, the draft Accounts for 2010/11 were produced by 30 June and certified by the s151 Officer on that date. They were then made available for public inspection and they have also been externally audited.
- 1.3 The outcome of the external audit is set out in the Auditor's formal report at **Appendix A**. The External Audit Manager will be in attendance at the Committee meeting to present the report and answer any questions.
- 1.4 In summary, the results of the audit are as follows:
 - A number of presentational changes have been agreed as a result of the audit, and one of these was material in nature (presentationally).
 - Subject to these changes being adjusted as appropriate within the Accounts, and unqualified audit opinion will be issued.
 - Additionally the Council has made proper arrangements to secure value for money in its use of resources.

- 1.5 In terms of the Committee's responsibilities, by 30 September the Council must:
- consider the Accounts;
 - following that consideration, approve the Accounts; and
 - following approval, ensure that the Accounts are signed and dated by the Chairman
- 1.6 Accordingly the adjusted, audited Accounts are attached at **Appendix B** for the Committee's consideration and approval. There are no other matters brought to Members' attention at this stage; the financial outturn has previously been reported to both Cabinet and Budget and Performance Panel.
- 1.7 In support of completing the audit, the Auditor requires a 'letter of representation', a copy of which is included at **Appendix C**. The letter will be signed by the Section 151 Officer but the Committee is also requested to note it. This is on the basis that those charged with governance should be aware of the representations on which the auditor relies, in expressing his opinion on the Accounts.
- 1.8 Once the Accounts have been approved and the letter of representation forwarded, it is expected that the Auditor will issue his opinion on the accounts; conclusion of the audit will also follow in due course.
- 1.9 The Head of Financial Services will then ensure that the Accounts are published by 30 September. This simply involves a copy being made available at the Town Hall and through the Council's website.

2 **Options and Options Analysis (including risk assessment)**

The Accounts approval process represents an opportunity for the City Council to consider the outcome of external audit, to ensure that its financial reporting is appropriate and take any action as needed. Given the results of the audit, no alternative options are put forward, but the Committee could make supplementary recommendations regarding any matters of concern arising.

3 **Conclusion**

- 3.1 The approval of the Accounts by the Committee would ensure that the statutory deadline is met. It is unfortunate that one material presentational adjustment to the accounts has been needed, but it is considered that this should not detract from the good work done in implementing many significant other changes to the Accounts for 2010/11, in line with International Financial Reporting Standards (IFRS).

CONCLUSION OF IMPACT ASSESSMENT

(including Diversity, Human Rights, Community Safety, Sustainability and Rural Proofing)

No implications directly arising.

FINANCIAL IMPLICATIONS

There are no changes to the financial outturn from that previously reported to Members.

SECTION 151 OFFICER'S COMMENTS

This report was prepared by the s151 officer as part of her responsibilities.

LEGAL IMPLICATIONS

There are no direct legal implications arising.

MONITORING OFFICER'S COMMENTS

The Monitoring Officer has been consulted and has no further comments.

BACKGROUND PAPERS

Accounts and Audit Regulations 2011.

Contact Officer: Nadine Muschamp

Telephone: 01524 582117

E-mail: nmuschamp@lancaster.gov.uk

Ref: