

# AUDIT COMMITTEE

## STATEMENT OF ACCOUNTS 2005/06 28 JUNE 2006

### Report of Head of Financial Services

#### PURPOSE OF REPORT

This report seeks Members' approval of the draft Statement of Accounts for 2005/06 and outlines the audit process for information.

**This report is public.**

#### RECOMMENDATIONS

- (1) That the Committee considers the Accounts and any issues arising.
- (2) That the draft Statement of Accounts for the financial year ended 31 March 2006 be approved, and that the Chairman signs and dates the Accounts accordingly.

#### 1 ACCOUNTS AND AUDIT REGULATIONS 2003

1.1 Each year Councils must make arrangements for the production, approval, inspection and audit of their accounts. The Account and Audit Regulations set out various requirements in relation to the process, and back in 2003 they were updated to provide for the following:

- Date of Approval  
Previously Councils had to gain approval of their accounts by 30 September. This deadline has been brought forward on a phased basis and for accounts relating to 2005/06 onwards, the deadline is now 30 June.
- Signing of Accounts by Chairman  
The intention behind this requirement is that the chairman's signature should represent the completion of the Council's approval process for its accounts. The requirement for him to sign does not relate to the role of the chief financial officer. That officer alone is responsible for certifying that the statement of accounts is a proper reflection of the Council's financial position.
- Inclusion of statement of internal control  
This is the subject of an item elsewhere on the agenda.

– Publication of Accounts

The deadline for publication has also been brought forward and it is now 30 September.

## 2 **APPROVAL AND AUDIT OF ACCOUNTS PROCESS**

- 2.1 Under the Constitution, this Committee has specific authority to approve the Statement of Accounts. Subject to this approval being gained, the Chairman is asked to sign and date a copy of the accounts for the purpose outlined above.
- 2.2 The draft accounts are attached at **Appendix A**; should there be any further changes made prior to Committee, these will be reported into the meeting. Outline explanatory information on interpreting the accounts and the key issues arising are included in the 'Foreword' section, and Members may find this a useful overview and starting point in their deliberations.
- 2.3 The District Auditor will commence the audit of accounts on Tuesday 04 July. The four week public inspection period will commence on Monday 17 July, and the District Auditor will be available to answer local electors' questions relating to the accounts on Monday 14 August. In accordance with the Regulations, these dates are being advertised in the local press and on the website.
- 2.4 If any significant issues or 'non-trifling' matters arise during the audit these will need to be reported back for consideration by the Committee. In any event, the outcome of the audit will be included within the District Auditor's Annual Audit and Inspection Letter to the Authority, which will be reported to all Members in due course.
- 2.5 Once audited, the Statement of Accounts will be published by 30 September. If practicable summary information may also be made available as appropriate, through other existing Council publications and the website.

## 3 **Details of Consultation**

No other consultation, other than the public inspection period as set out.

## 4 **Options and Options Analysis (including risk assessment)**

Members could approve the accounts as set out, which would meet the statutory deadline, and could request further information. As the approval process represents, in the main, an acknowledgement that the draft accounts have been completed, there are no substantive alternative options put forward. If, however, Members have concerns or issues regarding the accounts, these may be noted and further information could be submitted to a future meeting.

## 5.0 **Conclusion**

- 5.1 The approval of the Accounts by the Committee would ensure that the statutory deadline is met. This represents a significant achievement by all those involved in the process.

**CONCLUSION OF IMPACT ASSESSMENT**

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

No implications directly arising.

**FINANCIAL IMPLICATIONS**

The Statement reflects the 2005/06 provisional outturn position, which is to be reported in more detail to Cabinet in July. Any further implications arising for current and future years are currently being assessed and will feed through into this year's corporate financial monitoring and/or the review of the Medium Term Financial Strategy.

**DEPUTY SECTION 151 OFFICER'S COMMENTS**

This report was prepared by the s151 officer as part of her responsibilities. Clearly the subject of the report is subject to external audit, the outcome of which will also be reported to Members.

**LEGAL IMPLICATIONS**

Legal Services have been consulted and have no comments to add.

**MONITORING OFFICER'S COMMENTS**

The Monitoring Officer has been consulted and has no comments to add.

**BACKGROUND PAPERS**

Accounting and Audit Regulations 2003.

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