

Agenda Item 3

www.oxford.gov.uk



To: Audit and Governance Committee **Item No:**

Date: 30th June 2011

Report of: Head of Finance

Title of Report: Statement of Accounts for the Year Ending 31st March 2011

Summary and Recommendations

Purpose of report: To present the Council's Statement of Accounts for the year ending 31st March 2011 to the Audit and Governance Committee.

Key decision? No

Executive lead member: Councillor Ed Turner

Policy Framework: Budget

Recommendation(s): That the Committee note the contents of the Statement of Accounts certified by the Director of Finance and Efficiency prior to their submission to the external auditors

Appendix A - Statement of Accounts 2010/11 – To follow
Appendix B - Explanatory Foreword – To follow

Approval of the Statement of Accounts

1 The Statement of Accounts for 2010/11 is attached at Appendix B. The Accounts and Audit Regulations 2011 require :

- That the responsible financial officer of a larger relevant body must, no later than **30th June** immediately following the end of a year, sign and date the Statement of Accounts, and certify that it presents a true and fair view of the financial position of the body at the end of the year to which it relates and of that body's income and expenditure for that year.
- That the authority must, no later than **30th September** in the year immediately following the end of the year to which the Statement relates—
 - (a) consider either by way of a committee or by the members meeting as a whole the Statement of Accounts;
 - (b) following that consideration, approve the Statement of Accounts by a resolution of that committee or meeting;
 - (c) following approval, ensure that the Statement of Accounts is signed and dated by the person presiding at the committee or meeting at which that approval was given; and
 - (d) publish (which must include publication on the body's website), the Statement of Accounts together with any certificate, opinion, or report issued, given or made by the auditor under section 9 (general report) of the 1998 Act.
 - (e) The responsible financial officer must re-certify the presentation of the Statement of Accounts before the relevant body approves it.

2. In addition, the following additional presentational changes have been made to the contents of the Statement of Accounts.

- The Annual Governance Statement (AGS) was previously included in the Statement. For 2010/11 the Accounting Code of Practice requires the AGS to be included alongside it in the same publication. As such it is not directly covered by the Chief Finance Officer's certification or the audit report. The objective of the AGS is to recognise, records and publish the Council's governance arrangements. It identifies the systems the Council has in place to

ensure that business is conducted in accordance with the law and proper standards and that public money is safeguarded. It is shown as a separate report elsewhere on the Committee's agenda.

- The Explanatory Foreword – This statement explains the more significant features of the accounts. It is based on the information contained in the Statement of Accounts fulfilling a similar purpose to a directors' report in company accounts. The Accounting code requires that the foreword is 'to' rather than 'in' the Statement of Accounts. This foreword is shown in Appendix A.

The Closedown process

- 3 The closure process for 2010/11 has been conducted using a detailed timetable agreed with our external auditors. Recommendations from the Audit Commission's report on the 2009/10 accounts have been incorporated.
- 4 The accounts for 2010/11 are presented in accordance with Code of Practice on Local Authority Accounting in the United Kingdom (the Code) which specifies the principles and practices of accounting required to give a 'true and fair' view of the financial position and transactions of a local authority.
- 5 The Code of Practice is the first to be based on International Financial Reporting Standards (IFRSs), and has been developed by the CIPFA/LASAAC Code Board under the oversight of the Financial Reporting Advisory Board.
- 6 Some interim audit work has already been undertaken. The main audit is due to start on 11th July 2011. The auditors expect to issue their audit opinion by the end of September 2011. Any significant audit adjustments will be communicated to the Audit Committee at its meeting on 30th September, 2011.

7 Implications

Legal Issues (Monitoring Officer)

These are adequately covered within the report

Name and contact details of author:-

Name: Nigel Kennedy

Job title: Head of Finance

Service Area / Department Finance and Efficiency

Tel: 01865 272708 e-mail: nkennedy@oxford.gov.uk