

CHESHIRE EAST COUNCIL

Audit and Governance Committee

Date of Meeting: 30th June 2011
Report of: Borough Treasurer & Head of Assets
Subject/Title: Draft Statement of Accounts and Annual Governance Statement 2010-11 – Approval Process
Portfolio Holder: Councillor Wesley Fitzgerald

1.0 Report Summary

- 1.1 This report updates Members on the process and timetable for the approval of the 2010-11 Statement of Accounts and Annual Governance Statement (AGS) in accordance with the Accounts and Audit (England) Regulations 2011.
- 1.2 The regulations, which came into force on 31 March 2011, include important provisions on financial management and governance, including those connected with the approval and publication of the annual accounts and AGS.

2.0 Recommendation

- 2.1 That members note the process and timetable for the approval of the 2010-11 Statement of Accounts.

3.0 Reasons for Recommendations

- 3.1 To ensure compliance with the Accounts and Audit Regulations 2011.

4. Wards Affected

- 4.1 Not applicable.

5.0 Local Ward Members

- 5.1 Not applicable.

6.0 Policy Implications including – Carbon Reduction - Health

- 6.1 None.

7.0 Financial Implications (Authorised by the Borough Treasurer)

- 7.1 As covered in the report.

8.0 Legal Implications (Authorised by the Borough Solicitor)

8.1 As covered in the report.

9.0 Risk Management

9.1 The Council's approval process for the Statement of Accounts and AGS was based on the Accounts and Audit Regulations 2003 (as amended) which, together with amending Regulations, has been revoked. It is therefore necessary to introduce procedures that comply with the requirements of the Accounts and Audit (England) Regulations 2011.

10.0 Background and Options

10.1 New regulations have removed the requirement for the 2010/11 accounts to be formally reviewed and approved by the Audit and Governance Committee prior to audit i.e. before the end of June, although they must still be signed by the responsible financial officer (Borough Treasurer and Head of Assets) by this date.

10.2 Members are now required to consider and approve the accounts before 30 September, taking into account the auditors findings and any consequential adjustments to the draft accounts.. The Annual Governance Statement (AGS) must also be approved and published at the same time as the statement of accounts i.e. by 30 September.

10.3 In accordance with guidance from the Chartered Institute of Public Finance and Accountancy (CIPFA) the draft Accounts will be made available to the Committee after being certified and presented for audit as a true and fair view of the financial position of the Council for the financial year 2010-11 by the Borough Treasurer and Head of Assets. The draft AGS will accompany the accounts.

10.4 A training/briefing session will be held in early September that will address both the structure and content of the accounts together with the AGS and the accompanying assurance documents. This will allow Members to review the statement of accounts, together with the AGS, during the audit of the accounts and raise any points that may need to be addressed. It will also provide an opportunity to brief members on the impact of changes arising as a result of the introduction of new International Financial Reporting Standards (IFRS), compliance with which is now a requirement for all local authorities.

10.5 The approval of the audited accounts and the AGS will take place at the Audit and Governance Committee on 29 September 2011. An informal briefing session will be arranged immediately prior to the meeting to address any outstanding issues that have arisen as a result of the audit and Member review of the accounts and the AGS.

11.0 Access to Information

The background papers relating to this report can be inspected by contacting the report writer:

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