

# CHESHIRE EAST COUNCIL

## Audit and Governance Committee

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**Date of Meeting:** 28<sup>th</sup> June 2012  
**Report of:** Director of Finance & Business Services  
**Subject/Title:** Draft Statement of Accounts 2011-12 – Approval Process  
**Portfolio Holder:** Councillor Peter Raynes (Finance)

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### **1.0 Report Summary**

- 1.1 This report updates Members on the process and timetable for the approval of the 2011-12 Statement of Accounts in accordance with the Accounts and Audit (England) Regulations 2011.

### **2.0 Recommendation**

- 2.1 That the Committee note the process and timetable for the approval of the 2011-12 Statement of Accounts.

### **3.0 Reasons for Recommendations**

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

### **4.0 Wards Affected**

- 4.1 Not applicable.

### **5.0 Local Ward Members**

- 5.1 Not applicable.

### **6.0 Policy Implications (including carbon reduction and health)**

- 6.1 None

### **7.0 Financial Implications (Authorised by the Director of Finance & Business Services)**

- 7.1 As covered in the report.

### **8.0 Legal Implications (Authorised by the Borough Solicitor)**

- 8.1 This report outlines the measures in place to ensure compliance with the statutory requirements and deadlines for the preparation and closure of accounts.

## **9.0 Risk Management**

- 9.1 The Local Government Act 2003 and the Local Government and Housing Act 1989 require the Statement of Accounts to be produced in line with recommended accounting practices.

## **10.0 Background and Options**

- 10.1 The Accounts and Audit (England) Regulations 2011 removed the requirement for the 2011/12 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 (Director of Finance & Business Services) by this date.
- 10.2 Members are now required to consider and approve the accounts before 30<sup>th</sup> September, taking into account the auditors findings and any consequential adjustments to the draft accounts.
- 10.3 The draft Accounts will be presented for audit by the 30<sup>th</sup> June as a true and fair view of the financial position of the Council for the financial year 2011/12 by the Director of Finance & Business Services.
- 10.4 At the January Committee members received an update on progress against the Final Accounts 2011/12 Action Plan. Following recommendations from the Audit Commission the Council has put arrangements in place to strengthen its quality assurance processes to ensure the draft financial statements are free from errors and inconsistencies.
- 10.5 This is the second year that the accounts have been prepared in accordance with International Financial Reporting Standards (IFRS), therefore the process of completing the 2011/12 accounts has been more straightforward than in previous years allowing improvements in working practices to become embedded.
- 10.6 The draft Statement of Accounts has been made available to members of the Audit & Governance Committee from 15<sup>th</sup> June 2012 in accordance with the recommendation that members have sight of the accounts before they are presented for audit, in order to involve them in the quality control process.
- 10.7 The draft Statement of Accounts will be made available on the Cheshire East Website from 30<sup>th</sup> June and the public inspection period will commence on 2<sup>nd</sup> July for a period of 20 working days.
- 10.8 A training/briefing session will be held in early September that will address both the structure and content of the accounts together with the Annual Governance Statement (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.

- 10.9 The approval of the audited accounts and the AGS will take place at the Audit and Governance Committee on 27<sup>th</sup> September 2012. 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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