

# Audit & Governance Committee – 30 June 2010



Report of **Head of Finance**

Report No. 18/10

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Wards Affected  
All

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To: AUDIT and GOVERNANCE COMMITTEE

DATE: 30 JUNE 2010

## Statement of Accounts for 2009/10

### Recommendation

That the statement of accounts for 2009/10 be approved for audit.

### 1. Purpose of Report

- 1.1 The Accounts and Audit Regulations 2003 require that the 2009/10 statement of accounts be approved by the council or a committee of the council by 30 June 2010. This power is delegated to the audit and governance committee. This report brings the 2009/10 statement of accounts to the committee for approval.
- 1.2 Also the Accounts and Audit Regulations (2003), as amended by the Accounts and Audit (Amendment) (England) Regulations 2006, require local authorities to carry out a review of the effectiveness of the system of internal control and risk management and publish an annual governance statement (AGS) each year with the annual Statement of Accounts.

### 2. Relationship with Corporate Plan

- 2.1 Sound financial management is central to the ongoing delivery of all the council's functions and therefore underpins the achievement of all of the council's strategic objectives as set out in the corporate plan. The timely production, audit and publication of the statement of accounts is fundamental to managing our business effectively.

### **3. Background**

- 3.1 The statement of accounts provides information on how the council has used the financial resources available to it. The statement of accounts is required by law and sets out statutory and other relevant information.
- 3.2 The statement of accounts was prepared following the end of the financial year on 31 March 2010. These accounts are at present unaudited. The external auditor is scheduled to carry out the audit of the accounts in July and August. The statement of accounts will be made available for public inspection from 26 July 2010.
- 3.3 The statement of accounts need to be published together with any certificate, opinion or report given by the external auditor. This must be carried out by 30 September 2010.
- 3.4 This committee is asked to approve the statement of accounts as an accurate record of the council's financial transactions during the year, and of the balances at the end of the year. The committee are not being asked to scrutinise why budgets are either under or overspent other than to satisfy itself that in year transactions and year end balances are accurate.

### **4. Matters for consideration**

- 4.1 The statement of accounts comprises the primary accounting statements together with supporting notes. The explanatory foreword to the accounts provides a straightforward explanation of what the accounting statements represent. Below are detailed some of the key matters arising from the statement of accounts that members should consider before they approve them.

#### **ACCOUNTING CODE OF PRACTICE CHANGES FOR 2009/10**

- 4.2 The statement of accounts are prepared in accordance with the Chartered Institute of Public Finance and Accountancy (CIPFA/LASAAC) code of practice on local authority accounting in Great Britain ("the code"). There have been a number of changes to the code which mean that the 2009/10 accounts are different to previous years. The principal changes amongst these are detailed below.
- 4.3 The main change in the statement for 2009/10 is around the collection fund, in that the Council (as the billing authority) is now classed as an agent of the other main precepting authorities (Oxfordshire County Council and Thames Valley Police). This has also resulted in a prior period adjustment on the 2008/09 accounts.
- 4.4 Certain notes to the accounts are no longer required. These include the Building Control Account and the Publicity Account; however, where these are still required to be published, they will appear on the Council's website.
- 4.5 Revenue and capital outturn 2009/10. The Capital Outturn report will be presented to Executive on 2 July 2010. The revenue outturn report will be presented to the executive in September 2010. This will provide detail on what the council spent as against the budgets it set for the year and the reasons for any variations.
- 4.6 Annual Governance Statement (AGS). The annual governance statement brings together all of the council's strategies, initiatives and work plans. It provides the basis from which the council can fulfil its role as a community leader.

4.7 The AGS contains a review of the effectiveness of the governance system within the council from April 2009 to March 2010. Section 3 sets out the council's governance framework. Section 4 contains a review of the activities against the governance framework set out in section 3.

4.8 The committee is asked to seek clarification of any of the assurances within the AGS.

## **5. Financial implications**

5.1 These are covered in the body of the report.

## **6. Legal implications**

6.1 Approval of the statement of accounts by the committee fulfils the requirement of regulation 10 of the accounts and audit regulations 2003. If any significant mis-statement is identified after approval then an amended version will need to be brought back to the committee.

## **7. Conclusion**

7.1 It is recommended that the committee formally approves the 2008/09 statement of accounts and that the chair of the committee formally signs the accounts to certify that this has been done.

Background Papers: The statement of accounts for 2009/10