

EAST HERTS COUNCIL

AUDIT COMMITTEE – 10 JULY 2013

REPORT BY EXECUTIVE MEMBER FOR FINANCE

DRAFT STATEMENT OF ACCOUNTS 2012/13

WARD(S) AFFECTED: All

Purpose/Summary of Report:

- To advise Members of the structure, principles and contents of the accounts, in preparation for their consideration of those accounts subsequent to external audit.

RECOMMENDATION FOR AUDIT COMMITTEE: That:

	The completion and authorisation for issue (by the Council's Director of Finance and Support Services) of the Council's 2012/13 accounts, in line with statutory processes, be noted.

1.0 Background

- 1.1 The approval of the Council's Accounts is a statutory requirement. The Accounts and Audit Regulations 2011, which came into force on 31 March 2011, set out the current requirements for the production, approval and publication of a Council's annual Statement of Accounts.
- 1.2 These Regulations require the Accounts to be signed by the Council's Section 151 officer by 30 June following the relevant financial year and passed for audit before requesting approval of a relevant body of the Council (as defined in the Regulations) following audit and then published by 30 September. The S.151 Officer in signing the accounts is required to certify that the accounts present a "true and fair view" of the financial position of the Council at the year end.
- 1.3 In line with the Council's constitution this committee, as the relevant body, will have the benefit of receiving the External Auditor's report on the accounts prior to Member approval.

1.4 By presenting the report at this stage it affords Members an early opportunity of viewing and questioning the accounts.

1.5 A separate report elsewhere on the agenda deals with requirements for consideration and approval of the Council's Annual Governance Statement, which is required to be included within the Council's overall annual accounts.

2.0 Report

2.1 The Council's Chief Financial Officer (S151 Officer) has a statutory responsibility for the preparation of the Statement of Accounts. The accounts, accounting policies and compliance with the 2012 Code of Practice on Local Authority Accounting have been agreed by the Director of Finance and Support Services (as S.151 Officer). The Statement of Accounts was certified as presenting a true and fair view of the financial position of the Council at 31 March 2013 on 27 June 2013,

2.2 The Statement of Accounts is attached at **Essential Reference Paper "B"**.

2.3 In the wider interest of transparency and public accountability it is also intended that the accounts will be made available on the Council's website but clearly marked DRAFT and SUBJECT TO AUDIT. This will ensure an early opportunity for the public to consider the accounts prior to the appointed day for inspection of the accounts and supporting documents.

2.4 The Committee will be aware that, since 2010/11, the accounts have been produced in line with International Financial Reporting Standards (IFRS). The move to IFRS has seen significant changes to both the format and presentation of the accounts.

2.5 It is intended that the draft accounts be used as the basis of providing Members with an overview of the key financial statements, changes to accounting and reporting requirements for 2012/13 and information relating to key technical issues affecting the accounts including capital charges, asset valuations and pensions.

2.6 It is intended to provide Members with a detailed report on the accounts at the September 2013 meeting when formal approval will be sought. Hopefully, the presentation of the unaudited

accounts at this meeting will be of assistance to Members in asking questions on the accounts in September.

3.0 Implications/Consultations

3.1 Information on any corporate issues and consultation associated with this report can be found within **Essential Reference Paper 'A'**.

Background Papers

None.

Contact Member: Councillor Michael Tindale – Executive Member for Finance. michael.tindale@eastherts.gov.uk

Contact Officer: Adele Taylor – Director of Finance and Support Services, Extn: 1401. adele.taylor@eastherts.gov.uk

Report Author: Simon Chancellor – Head of Finance and Performance, Extn: 2050.
simon.chancellor@eastherts.gov.uk