

MEETING: **AUDIT COMMITTEE**

DATE: **12 July 2012**

TITLE: **STATEMENT OF ACCOUNTS 2011/12**

PURPOSE / RECOMMENDATION: **To receive the statutory Statement of Accounts (pre-audit draft) for information**

AUTHOR: **Dafydd L Edwards, Head of Finance**

CABINET MEMBER: **Councillor Peredur Jenkins**

1. INTRODUCTION

- 1.1 This report introduces the statutory Statement of Accounts for the 2011/12 financial year, which provides details of the Council's financial activities during the year which ended on 31 March 2012.
- 1.2 The following document is the draft Statement of Accounts in its statutory format, 111 pages long in each language.
- 1.3 The draft accounts presented here have yet to be audited, so it is possible that some changes may be necessary before a final version is submitted for approval at the 27 September 2012 meeting of the Audit Committee.
- 1.4 The basic form and content of these Statements is prescribed under regulation 7 of the Accounts and Audit (Wales) Regulations 2005 and revisions thereto, as well as other national regulations and standards. Several new requirements of the IFRS (International Financial Reporting Standards) based Code of Practice on Local Authority Accounting apply to the Council's Statement of Accounts for 2011/12. As the regulations require statements in a standard format, comparisons with other bodies' accounts are facilitated, but the statements have now become technically complex and difficult to understand.
- 1.5 Simple summary reports regarding the 2011/12 accounts were presented to the Cabinet meeting of 12 June 2012. That report was more useful for internal / management purposes, while the Statement of Accounts is more suited for external / governance purposes.

2. ACTION REQUIRED

- 2.1 The Audit Committee are “those charged with governance” on behalf of the Council, and approved the draft (subject to audit) statement of accounts prior to 2009/10. However, revisions in 2010 to the Accounts and Audit Regulations gave the Statutory Finance Officer (the Head of Finance in Gwynedd Council) responsibility for approving and certifying the draft accounts before 30 June.
- 2.2 There is no longer any requirement for elected members to approve the draft version of the Council’s Statement of Accounts, but this is presented to the Audit Committee FOR INFORMATION as good practice.
- 2.3 Doubtless, the committee’s members will wish to consider and understand the content in preparation for approving the final version in September, and to arm themselves with information to consider matters being audited in their context.

3. SUBSEQUENT STEPS

- 3.1 Further to certification by the Head of Finance and consideration by the Audit Committee, the Statement of Accounts for 2011/12, with all other relevant financial statements, will be the subject of the annual audit process by the Wales Audit Office.
- 3.2 In accordance with regulations 13 and 15 of the Accounts and Audit (Wales) Regulations 2005, the Council will also notify the public, via the local press, that the accounts are available for inspection for a 20 working day period. As part of the audit process, during the period from 03/08/12 until 31/08/12, local government electors also have the opportunity to question the external auditor about the Council’s accounts.
- 3.3 As noted in paragraph 1.3 (above), the final (audited) version of the Council’s Statement of Accounts will be submitted to the 27 September 2012 meeting of the Audit Committee FOR APPROVAL, along with the report of the Auditor appointed by the Wales Audit Office.
- 3.4 It is the Finance Department’s intention to distribute copies of the final Statement to all elected members and all chief officers of the Council, as well as other interested parties.

4. RECOMMENDATION

- 4.1 The Audit Committee is asked to receive and note the Council’s Statement of Accounts (subject to audit) 2011/12.