

	<p style="text-align: center;">Audit Committee 27 September 2012</p> <p style="text-align: center;">Report from the Director of Finance and Corporate Services</p>
For Action	Wards Affected: ALL
<p>STATEMENT OF ACCOUNTS 2011/12 ANNUAL GOVERNANCE REPORTS</p>	

1.0 Summary

- 1.1 Under the Council's Constitution, the Audit Committee has responsibility for approving the annual statement of accounts and considering issues raised by the external auditors.
- 1.2 The basis for this consideration is the Annual Governance Report (AGR) which the Council's external auditors, the Audit Commission, produce following completion of the audit of accounts. The report is intended to identify any changes to the accounts, unadjusted mis-statements or material weaknesses in controls identified during the audit work. It also provides the overall value for money conclusion for the year. A separate AGR has been produced for the Pension Fund accounts and this will also be considered by the Pension Fund Sub-Committee.
- 1.3 At the time of writing this report the Audit Commission is in the process of completing the audit of the 2011/12 accounts and the draft AGR for the Council, reflecting the current position, is attached to this report, along with the final AGR for the Pension Fund. Based on the current position the Audit Commission intends to give unqualified opinions on the Council and Pension Fund accounts and a clear value for money conclusion.
- 1.4 Representatives from the Audit Commission will attend the meeting to provide an update on the audit and respond to any matters raised by the Committee.

2.0 Recommendations

The Committee is asked to:

- 2.1 Consider the Annual Governance Reports from the Audit Commission and:
- note the adjustments made to the accounts referred to in those reports
 - approve the letters of representation to the Audit Commission

- agree the Council's response to the action plan

2.2 Approve the Statement of Accounts

3.0 Detail

Statement of Accounts

- 3.1 The process for producing the statement of accounts for 2011/12 has been the subject of regular updates to the Committee. These have set out the progress made against the recommendations contained within the 2010/11 AGR.
- 3.2 On 29 June 2012 The Director of Finance and Corporate Services formally approved the draft Statement of Accounts, in line with the Accounts and Audit Regulations. The audit of accounts commenced in July and the draft AGRs set out the key findings from the Audit Commission's work to date.
- 3.3 Overall, there has been a considerable improvement in the quality of accounts submitted for audit and the supporting working papers. There are, however, further improvements that can be achieved and these are set out within the AGR recommendations. At the time of writing this report the Council's response to the recommendations is being drafted and the proposed response will be provided to the Committee.

Publication of Statement of Accounts

- 3.4 The Council is required to publish the 2011/12 accounts by 30 September 2012. The statement of accounts attached to this report incorporates the changes agreed with the Audit Commission to date and it is proposed that this set of accounts, subject to any changes from the completion of the Audit Commission's work, is published on the Council's website.
- 3.5 Once the audit has been completed a Letter of Representation (Appendix 3 of the Annual Governance Report) needs to be signed prior to the Audit Commission issuing an audit opinion.

Value for Money

- 3.6 The Audit Commission has reviewed whether the Council has proper arrangements for:
- securing financial resilience; and
 - challenging how it secures economy, efficiency and effectiveness
- 3.7 The AGR confirms that the Audit Commission is satisfied that the Council has appropriate arrangements in place. The detailed findings are set out in Table 2 within the AGR.

4.0 Financial Implications

4.1 There have been some adjustments to the Statement of Accounts during the course of the audit but for the most part these are changes to accounting entries in the income and expenditure statement, balance sheet items and notes to the accounts that do not affect the financial position of the Council. However one adjustment improves the level of usable reserves by £152k.

5.0 Legal Implications

5.1 No specific implications.

6.0 Diversity Implications

6.1 No specific implications

7.0 Staffing Implications

7.1 No specific implications.

8.0 Background Information

Accounts and Audit Regulations 2011

Progress reports to Audit Committee – 22 February 2012, 27 June 2012

9.0 Contact Officer

Any person wishing to inspect these documents should contact Max Gray, Finance and Corporate Resources, Room 114, Brent Town Hall, Forty Lane, Wembley, Middlesex HA9 9HD. Tel. 020 8937 1464.

CLIVE HEAPHY

Director of Finance and Corporate Services