

**FINAL ACCOUNTS 2009/10  
(Report by the Head of Financial Services)**

**1. INTRODUCTION**

- 1.1 The Council's Final Accounts needs to be approved by the Panel prior to the auditors commencing the audit.
- 1.2 Much of the content of the Council's accounts is set by a statutory Code of Practice. As a result, they are not easy for the lay reader to understand but the inclusion of notes to various accounts helps explain the key aspects.
- 1.3 Their prime purpose is to form the official record of what has happened in the last year and, when audited, they will demonstrate that a proper level of financial stewardship has been achieved on behalf of local residents. The Annual Governance Statement, which will also form part of the booklet when it is published after audit, will be considered separately at the Panel's September meeting.
- 1.4 If the Council's auditors, Grant Thornton UK LLP, identify any significant concerns during the course of the audit then these will also be reported to the Panel in September.
- 1.5 Now that the Leisure Centre Management Committees have been formally dissolved the accounts of the leisure centres have been fully integrated into the accounts of the Authority for the first time. This includes restating relevant opening balances.

**2 LAST YEAR'S AUDIT**

- 2.1 When last year's accounts were approved for publication in September 2009 the external auditor made three recommendations and the Council's response is shown against each one:
  - a) In preparation for the introduction of International Reporting Standards (IFRS) the Council should review its fixed asset register  
***The Council will modify its records as necessary to support the 2010/11 accounts.***
  - b) Also in preparation for IFRS the Council should ensure it has arrangements in place to meet the valuation requirements for fixed assets.  
***The Estates and Property Manager has had discussions with the external valuers and they are aware of the new requirements for IFRS.***

- c) Proposal that all journal entries should be independently reviewed.

***As in previous years, your officers rejected the need for general independent checking of journals because they are only completed by accountancy staff who are experienced and knowledgeable.***

***However, having considered the risks involved, all significant items, have been reviewed.***

### **3. USE OF RESOURCES**

- 3.1 The new Government has decided to cancel the Comprehensive Area Assessment and Use of Resources regime. This does not mean that good practice should not be maintained and so it is important that the Panel have an adequate understanding of the Final Accounts. It is therefore intended to provide an introduction to the key elements and issues when this report is presented, thus enabling more effective discussion.
- 3.2 Panel members are also encouraged to identify, in advance, any areas on which they require explanation or clarification to ensure that fuller explanations can be given at the meeting. Please notify Steve Couper of any such areas in advance of the meeting.
- 3.3 As usual, the timetable for preparing the Final Accounts is demanding and it may be necessary for them to be circulated after the agenda. Every effort will be made to do this as soon as possible to give Members as much time as possible to review them.

### **4 RECOMMENDATIONS**

- 4.1 It is recommended that the Panel approve the draft Final Accounts so that the audit can commence

#### **ACCESS TO INFORMATION ACT 1985**

Final Accounts and Working Papers held in the Accountancy Section

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