

AUDIT COMMITTEE

25 June 2013

ANNUAL FINANCIAL REPORT 2012/13

REPORT OF CHIEF FINANCE OFFICER

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RECENT REFERENCES:

AUD056: Statement of Accounts 2012/13, 12 March 2013

EXECUTIVE SUMMARY:

At its last meeting the Committee received an update on the changes required to the Statement of Accounts for 2012/13 (Report AUD056 refers). These changes have been incorporated as relevant in the Annual Financial Report for 2012/13.

Legislation requires that the pre-audit Statement of Accounts is signed by the Chief Finance Officer by 30 June, and that the audited Statement of Accounts is approved by Members, by 30 September, annually.

As last year the Statement of Accounts is incorporated within the Annual Financial Report.

The Statement of Accounts will be available for public inspection from 25 July 2013 to 21 August 2013; be audited by Ernst & Young during August and final accounts will be presented to this Committee at its meeting in September for approval.

It is important that Members are aware of the key issues contained in the Accounts. The Chief Finance Officer will provide a presentation on the Annual Financial Report to the meeting of the Committee.

RECOMMENDATIONS:

That the Audit Committee notes the requirements for the Annual Financial Report and takes the opportunity to seek clarification of any detail, following a presentation from the Chief Finance Officer.

AUDIT COMMITTEE25 JUNE 2013ANNUAL FINANCIAL REPORT 2012/13REPORT OF CHIEF FINANCE OFFICER1. Introduction

- 1.1. At its last meeting the Committee received an update on the changes required to the Statement of Accounts for 2012/13 (Report AUD056, March 2013 refers).
- 1.2. The Accounts and Audit (England) Regulations 2011 require that:
  - the responsible financial officer must, no later than 30 June immediately following the end of a year, sign and date the statement of accounts, and certify that it presents a true and fair view of the financial position of the body at the end of the year to which it relates and of that body's income and expenditure for that year, and;
  - no later than 30th September in the year immediately following the end of the year to which the statement relates—the Council must:
    - (a) consider either by way of a committee or by the members meeting as a whole the statement of accounts;
    - (b) following that consideration, approve the statement of accounts by a resolution of that committee or meeting;
    - (c) following approval, ensure that the statement of accounts is signed and dated by the person presiding at the committee or meeting at which that approval was given; and;
    - (d) publish (which must include publication on the body's website), the statement of accounts together with any certificate, opinion, or report issued, given or made by the auditor under section 9 (general report) of the 1998 Act.
  - The responsible financial officer must re-certify the presentation of the statement of accounts before the relevant body approves it.
- 1.3. Hence, the Committee are not required to approve the Statement of Accounts until after the conclusion of the external audit.

## 2. Annual Financial Report

- 2.1. Although there is no formal definition in Regulations or the Code of what exactly constitutes the Statement of Accounts, reliance can be placed on the implications of section 9 of the Audit Commission Act 1998 that the auditor must give an opinion on the Statement of Accounts and the conventions as to the information that auditors are expected to be able to determine as true and fair. Under these conventions, the Annual Governance Statement (considered elsewhere on this agenda), the auditors report and the explanatory foreword would be outside the scope of the Statement of Accounts, which would then comprise the financial statements and the notes to the accounts.
- 2.2. The Statement of Accounts is thus part of a wider annual financial report, comprising:
- the Explanatory Foreword;
  - the Auditor's Report to Members (as applicable)
  - the Statement of the Accounts;
  - the Annual Governance Statement;
  - Building Control Account, and;
  - Charges for Property Searches.

## 3. Public Inspection

- 3.1. The 2012/13 Statement of Accounts will be made available for public inspection (as required by the Accounts and Audit Regulations) from 25 July 2013 to 21 August 2013. The web link will also be provided to DCLG for advertising on Directgov.
- 3.2. The Appointed Auditor has set the day on which local government electors for the area may exercise their right to question or make objections to the Accounts for the year ended 31 March 2012, as 22 August 2013.

## 4. Statement of Accounts

- 4.1. The Statement of Accounts has been prepared in accordance with proper practices as set out in the CIPFA/LASAAC *Code of Practice on Local Authority Accounting in the United Kingdom* (the Code) and any subsequent Local Authority Accounting Panel (LAAP) recommendations.
- 4.2. The Council's Statement of Accounts (pre-audit) for the year ending 31 March 2013 will be signed by the Chief Finance Officer, after the Audit Committee meeting. A presentation of the key issues contained within the Statement of Accounts will be provided to the meeting.

OTHER CONSIDERATIONS:

5. SUSTAINABLE COMMUNITY STRATEGY and CORPORATE CHANGE PLANS (RELEVANCE TO):

- 5.1. Preparation of the Annual Financial Report is fundamental to the requirement for accountability for public finances. Achieving corporate priorities must go in hand with accounting for how the public's money has been spent.

6. RESOURCE IMPLICATIONS:

- 6.1. There are no direct implications arising from this report.

7. BACKGROUND DOCUMENTS:

- Audit Working Papers & financial records held in the Finance and other teams within the Council (less exempt items).