

REPORT TO AUDIT AND PERFORMANCE REVIEW PANEL

Title: **ADOPTION OF 2008/09 STATEMENT OF ACCOUNTS**

Date: 30th June 2009

Officer Reporting: PETER BROWN, CHIEF ACCOUNTANT

Contact Officer(s): Richard Bunn, Corporate Group Accountant (6510)

Wards affected: (All)

1. SUMMARY

- 1.1.1 The draft Statement of Accounts is brought to the Audit and Performance Review Panel for their consideration and approval before submission to the external auditors (KPMG) for inspection.
- 1.1.2 The residents have 20 working days from 3rd August 2009 to inspect the Royal Boroughs non personal financial records. They can raise any issues on the accuracy of the accounts with the external auditors on 28th August 2009.
- 1.1.3 Following external auditor review, a further report will be made to the Panel which includes commentary on any changes made and seeking final certification of the Statement of Accounts by the Chair of the Audit and Review Panel and the KPMG Audit Manager.

2. RECOMMENDATION

That the Audit and Performance Review Panel approve the 2007/08 Annual Accounts, for inspection by the External Auditors (KPMG)

What will be different for residents as a result of this decision?
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Assurance that proper governance process is followed in the preparation, review and approval of the statutory annual statement of accounts.

3. SUPPORTING INFORMATION

3.1 Background

- 3.2.1 The Council is required to approve the Annual Accounts prior to submission to the external auditors (KPMG). Following inspection by our external auditors, a further report will be made to the Panel which includes commentary on any changes made to these draft accounts prior to certification by the Chair of the Audit and Review Panel and the KPMG Audit Manager.

- 3.2.2 The draft statement of accounts for the year ended 31 March 2009 are available in Democratic Services and the Group Rooms, together with an extract of the "Finance Matter" section of the annual report that, together with performance information, will be published in Around the Royal Borough later in the year.
- 3.2.3 The Accounts and Audit Regulations 2003 require local authorities to adopt the accounts, subject to audit, before the 30th June. This panel must consider the auditors findings and the final audit certificate before the 30th September.
- 3.2.4 The documents have been prepared in accordance with the latest regulation and structural changes required by the Statement of Recommended Practice (SORP) 2008. Accordingly a number of minor changes to the layout of the balance sheet and standard expenditure analysis have been.
- 3.1.1 The next major change to the statement of accounts occurs with those produced for 2009/10. That year requires local authorities to present the accounts in International Financial Reporting Standard (IFRS) format and the accountancy section has received training and is planning for this implementation. A number of the factors requires the restatement of asset valuations and the relevant directorates are appraised of the requirements. KPMG will review this plan as part of the 2008/09 audit.
- 3.1.2 The Royal Borough is also required to produce and approve a Statement of Governance. This Statement of Governance forms part of the Statement of Accounts and separate report is included elsewhere on this agenda for the Audit and Review Panel to consider.
- 3.1.3 The figures in the statement of accounts differ from those used during the year on Budget Monitoring where the focus is on management information. This statement is required to show "total cost" as defined in the Accounts and Audit regulations, variations in the costs of capital and management support now appear against the service which they support rather than against the service or management unit that initially incurs the cost.

4. OPTIONS AVAILABLE AND RISK ASSESSMENT

4.1 Options

The Council has a responsibility to adopt and submit the financial statements by 30 June 2009 failure to do so would result in a failure to comply with the Accounts and Audit Regulations 2003, there is, therefore, no option

4.2 Risk assessment

- 4.2.1 The Financial Statements are subject to strict scrutiny by our external auditors to ensure compliance with statutory and recommended practice. The final version, including any audit recommended changes, is brought back to the audit panel for final review, approval and signature by 30 September 2009

5. CONSULTATIONS CARRIED OUT

- 5.1.1 There is no applicable consultation at this point although the accounts and other

documentation specified in the Accounts and Audit Regulations 2003 will be available for inspection for 20 working days from the 3rd August 2009.

- 5.1.2 Members of the public can exercise their right under the Audit Commission Act 1998 to question the auditor or make objections to the accounts on 28th August 2009.

6. COMMENTS FROM THE OVERVIEW AND SCRUTINY PANEL

- 6.1.1 The Corporate Services Overview and Scrutiny Panel does not consider this report. The Audit and Performance Review Panel has delegated authority to complete all necessary reviews and sign the financial statements as appropriated.

7. IMPLICATIONS

- 7.1.1 The following implications have been addressed where indicated below.

Financial	Legal	Human Rights Act	Planning	Sustainable Development	Diversity & Equality
✓	✓	N/A	N/A	N/A	N/A

Background Papers:

Final accounts working papers 2007/08 and 2008/09; and KPMG Prepared by Clients file 2008/09