

ACCOUNTS AND AUDIT REGULATIONS 2011
WDA/16/11

Recommendation

That:

1. The Authority members note the changes to the arrangements for approval of the Statement of Accounts.

THIS PAGE INTENTIONALLY BLANK

ACCOUNTS AND AUDIT REGULATIONS 2011
WDA/16/11

Report of the Treasurer

1. Purpose of the Report

- 1.1 The Authority is statutorily required to prepare a Statement of Accounts annually that complies with proper accounting practices. There have been changes to the statutory requirements for Member approval of the Statement which are set out in this report.

2. Background

- 2.1 The Statutory framework for the preparation and approval of the Authority's Statement of Accounts has, for some time, been set out in the Accounts and Audit Regulations. These regulations have periodically been reviewed and amended by Government. The most recent amendments apply to the Statement of Accounts for 2010-2011 and are set out as The Accounts and Audit (England) Regulations 2011 which came into force on 31 March 2011.

3. Accounts & Audit Regulations 2011

- 3.1 Under the former Accounts and Audit Regulations the Treasurer to the Authority was required to prepare the Statement of Accounts and to present them for formal approval by the Authority before 30 June each year.
- 3.2 After the accounts had been approved by the Authority they were then subject to external audit scrutiny. The audit of the accounts had to be completed before 30 September each year so that the accounts could be published at that date. Where there were significant changes to the accounts then these were drawn to the attention of the Authority by the Auditor and the Treasurer and appropriate amendments would be made to the accounts. If the amendments were very significant then the accounts would be re-approved by the Authority before 30 September.

- 3.3 The Accounts and Audit (England) Regulations 2011 have recognised that the practice of approving the accounts before they have been audited is inconsistent with practices in other sectors, both private and public. Therefore the new regulations have introduced a change.
- 3.4 For the Statement of Accounts of 2010-2011 the approval process has changed. The Statement has been prepared in the normal way. Thereafter instead of being approved by Members the Statement will be signed and dated as a true and fair record by the Treasurer to the Authority by 30th June.
- 3.5 After the Treasurer has signed the Statement of Accounts they will be subject to an external audit review. When the review is completed the external auditors will report their findings to Members as part of their routine audit reporting. The Treasurer will then sign the Statement of Accounts again.
- 3.6 Following receipt of the Audit report and the Treasurer re-signing the Statement the Authority will be asked to approve the Statement of Accounts. The approval by the Authority which follows the audit must be done by 30 September each year.
- 3.7 The new arrangements reflect a change in practice and Members will no longer be asked to review and approve the Statement of Accounts in June or before they have been audited.

4. Risk Implications

- 4.1 There is a risk that the Authority will fail to comply with the Statutory requirements regarding the approval of the statement of accounts. Recognising the changes in the requirements and putting in place new arrangements mitigates the risk.

5. HR Implications

- 5.1 There are no HR implications

6. Environmental Implications

- 6.1 There are no environments implications.

7. Financial Implications

- 7.1 There are no financial implications.

8. Conclusion

- 8.1 The Accounts and Audit (England) Regulations have brought about a change in the way the Statement of Accounts is approved by the Authority. The Statement is first signed by the Treasurer, then audited and only then adopted by the Authority. This brings local government into line with practices elsewhere.

The contact officer for this report is: Peter Williams
6th Floor, North House, 17 North John Street, Liverpool L2 5QY

Email: peter.williams@merseysidewda.gov.uk
Tel: 0151 255 2542
Fax: 0151 227 1848

The background documents to this report are open to inspection in accordance with Section 100D of The Local Government Act 1972 - Nil.