

## REPORT TO AUDIT COMMITTEE



<b>DATE</b>	13 <sup>th</sup> March 2013
<b>PORTFOLIO</b>	Resources & Performance Management
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### Annual Accounts 2012/13 Arrangements

#### PURPOSE

1. To update the Audit Committee on the arrangements made to date and the implications of the changes required for the Council ahead of the closure of the 2012/13 accounts.

#### RECOMMENDATION

2. Audit Committee is recommended to note the report and arrangements that the Council is making in advance of the closure of accounts for the year 2012/13.

#### REASONS FOR RECOMMENDATION

3. The Council has a statutory duty to submit the accounts for 2012/13 by the 30<sup>th</sup> September 2012.  
To ensure that the Council complies with requirements impacting on the Statement of Accounts.  
To explain the actions being taken to minimise the risks to the final accounts process.

#### SUMMARY OF KEY POINTS

4. In 2011/12, the Council again successfully achieved the implementation of changes required by the Code of Practice on Local Authority Accounting in the UK and following the previous year's adoption of International Financial Reporting Standards (IFRS). The 2012/13 accounts are to be produced under the Code of Practice on Local Authority Accounting in the UK for 2012/13 standards and will require similar detail and analysis. However, there are very few changes to the disclosures within the accounts that are required in 2012/13 and no changes that would require the re-statement of the opening balances for 2011/12, activity within the 2011/12 year and the closing position at 31<sup>st</sup> March 2012.
5. **Preparation**  
Training
  - Preparation for the closure of accounts 2012/13 has included both formal and informal training for staff in Finance and Property Management services.

- Staff have attended formal training courses by the Audit Commission and have taken an active role in regular discussions among peer groups across Lancashire and the North West.

#### Planning

- The year end closure memorandum has been sent to Directors, Heads of Service and various key officers of the Council giving details of the year end processes and timetable.

#### Procedures & systems

- There are no requirements for any changes to procedures and systems.

### 6. **Calculation of Impact**

#### Updating Accounting Policies

There are no technical changes required which will lead to a requirement to amend the Council's accounting policies and the Statement of Accounts.

#### Explanatory Foreword

It is a suggestion (not a requirement adopted for 2012/13) that Local Authorities review the information given in the foreword by considering the Government Financial Reporting Model (FReM) guidance. It is the technical accounting guide to the preparation of financial statements. The Manual is prepared following consultation with the Financial Reporting Advisory Board (FRAB) and is issued by the relevant authorities. Officers will review this guidance when producing the Statement of Accounts and adopt any changes that will help in the understanding of the users of the accounts.

### 7. **Risks**

The risks of non-compliance with the requirement to have a "fit for purpose" statement of accounts prepared by 30<sup>th</sup> June 2013 and reported to members with an unqualified audit opinion by 30<sup>th</sup> September 2013 are (not necessarily exhaustive):

- Failure to have assets revalued by the date shown in the timetable.
- Failure to fully identify and incorporate the requirements of the 2012 Code. This is unlikely given the few changes from the 2011 Code.

## **FINANCIAL IMPLICATIONS AND BUDGET PROVISION**

8. None.

## **POLICY IMPLICATIONS**

9. Changes to the Council's Accounting Policies.

## **DETAILS OF CONSULTATION**

10. Head of Finance & Property Management.

**BACKGROUND PAPERS**

11. 2012 Code of Practice on Local Authority Accounting in the UK  
Papers and publications held in Finance & Property Management.

**FURTHER INFORMATION**

**PLEASE CONTACT:**

**Dave Donlan – Accountancy Division Manager**

**ALSO:**

**Phil Moore - Head of Finance & Property  
Management**