



	Audit & Performance Committee
Date:	27 June 2012
Subject:	Accounts for the year ended 31 March 2012

Summary

1. This report sets out the background to the requirement for Members to consider the draft Statements of Accounts (which are submitted as a separate document) together with an explanation of the individual statements, and highlights the key issues for consideration.
2. The Accounts and Audit Regulations 2003 set out the requirements for the production and publication of the annual Statement of Accounts. It is a requirement that a Committee of the Council should approve the 2011/12 Statements before the 30 June 2012. Publication of the Statements is required by 30 September 2012.
3. There are no material changes to the draft outturn Revenue expenditure and Capital spending figures reported to the Cabinet on 25 June 2012. In respect of Revenue expenditure the General Fund balance at 31st March 2012 is £22.1 million.
4. The audit of the accounts is currently underway. At the Committee's meeting planned for 25 September 2012, Members will be asked to approve any amendments arising from the audit and to approve the Statement of Accounts for publication. They will also receive the Annual Governance Report, in which the auditors summarise the conclusions from their audit work.

Recommendations

1. That the Committee approve the draft unaudited Statement of Accounts.



City of Westminster

Audit & Performance

Item No:

Date:

27th June 2012

Classification:

For General Release

Title of Report:

**Accounts for the year ended 31 March 2012 – Draft
Financial Statements**

Report of:

Chief Operating Officer

Wards involved:

All

Policy context:

A business like approach

Financial summary:

**The draft unaudited Statement of Accounts is
presented for consideration**

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1. Background to this Report

- 1.1 The draft statement of accounts for the year ending 31st March 2012 attached for the Committee's consideration. These accounts are subject to audit by the Council's external auditors, the Audit Commission.
- 1.2 A year end General Fund balance of £22.1 million was reported after the transfer of £6.5 million to General Fund Reserves.

2. Statement of Accounts

- 2.1 The draft Statements of Accounts are attached for the Committee's consideration. These accounts are in International Financial Reporting Standards (IFRS) format.
- 2.2 The presentation and content of the Council's Accounts are set out in the Statement of Recommended Practice (SORP). This is updated each year by the Local Authorities accounting Joint Committee in accordance with the Accounting Standards Board.

3. Audit of Accounts

- 3.1 The main audit of the accounts is scheduled to begin on 28th June. The Audit Commission will report separately on the progress of their interim work.

4. Key Issues within the Accounts

General Fund Reserves and Other Reserves

- 4.1 A summary of the position on the General Fund and Other Reserves is shown in the table below.

	General Fund £M	Earmarked Revenue Reserves £M	Total £M
Balance 1st April 2011	15.6	25.5	41.1
Surplus / (Deficit)	6.5	10.6	17.1
Balance 31st March 2012	22.1	36.1	58.2

5. Legal Implications

- 5.1 Under the Accounts and Audit Regulations 2003, the Council is currently required to have the accounts approved by one of its Committees before the 30 June and publish the Accounts by 30 September. The current target is for approval of the draft by this Committee and publication by the end of September.
- 5.2 Under the regulations, the accounts are also to be signed by the Chairman of the meeting to signify the Council's completion of the approval process of the Accounts.
- 5.3 The Accounts will be published in September 2012.

6. Staffing Implications / Staff Consultation

- 6.1 There are no staffing implications for the City Council arising directly from this report.

7. Business Plan Implications

- 7.1 Certain of the Reserves reported in the Statement of Accounts are particularly important in relation to future financial planning. These include the General Fund Reserve which is available for use in reducing future Council Tax requirements and capital contributions and receipts where balances can be used to assist in funding the capital programme. In addition, any budget variations between 2011/12 estimates and out-turn and 2012/13 estimates and projections are being considered as part of the Business Plan review process.

8. Ward Members' Comments

- 8.1 As this report covers all wards, comments were not sought.

9. Outstanding Issues

Audit Arrangements

- 9.1 The detailed audit of the Council's accounts by the Audit Commission is already underway and will continue until September. The Audit Commission will prepare their Annual Governance Report, which summarises its conclusions, for consideration at the September meeting of the Committee.

Public Inspection

- 9.2 The Public Inspection of the Accounts will commence on 7th August and continue until the 4th September 2012 and the date for the District Auditor to receive questions or objections to the accounts is the 5th September 2012.

Contingent Assets/Liabilities and Events after the Balance Sheet

- 9.3 There may be other post balance sheet events or some of the items reported may be resolved prior to completion of the audit. These could impact on the accounts before they are signed by the Auditor.

10. Proposed Reasons for Decision

- 10.1 The reasons for the recommended decisions are:

i) Approval of the draft unaudited accounts before the 30th June allows the audit of the 2011/12 accounts to begin within the statutory timescales.

11. Conclusion

- 11.1 The Statement of Accounts details draft outturn figures for 2011/12 and the overall financial position of the Council as at 31 March 2012 and is submitted for the consideration of the Committee.

If you have any queries on this report or wish to inspect any of the background papers, please contact Ann D'Alessandro on 020-7641-1184, fax 020-7641-2142, e-mail adalessandro@westminster.gov.uk

LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985

BACKGROUND PAPERS

1. Draft Statement of Accounts 2011/12;
2. Annual Accounts – Briefing For Audit & Performance Committee.