

## AUDITED ANNUAL STATEMENT OF ACCOUNTS 2010/11

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### 1. Summary

- 1.1 This covering report and attached Annual Statement of Accounts, present to Members the final audited outturn position for the financial year 2010/11.

### 2. Recommendations

- 2.1 Members are asked to:

- A. Consider and approve the 2010/11 Statement of Accounts and that the Chairman signs them (in accordance with the requirements of the Accounts and Audit Regulations 2011).
- B. To agree that the Corporate Head of Finance and Commerce be authorised to make any minor adjustments to the Statement of Accounts prior to the 30 September 2011.

## REPORT

### 3. Risk Assessment and Opportunities Appraisal

- 3.1 Details of the potential risks affecting the balances and financial health of the authority are considered within the Statement of Accounts.

### 4. Financial Implications

- 4.1 This report considers the overall financial position of the Authority in the form of the Council's Statement of Accounts. The accounts consider the level of assets controlled and owned by the Authority, and the level of balances of held.

### 5. Background

- 5.1 The Accounts and Audit Regulations were revised in 2011, which brought the approval and publication of the statement of accounts in line with that of companies. Therefore members now approve the annual accounts after, rather than before, the findings of the audit are known. The formal date for approval and publication of the accounts is 30 September.
- 5.2 A copy of the 2010/11 Statement of Accounts is attached at Appendix 1. The Audit Commission has audited the accounts during July, August and

September. The audit of the accounts is substantially complete and the Auditor has indicated that an unqualified audit opinion will be issued on the accounts, subject to the successful completion of the outstanding matters.

## **6. Audit Commission Opinion**

- 6.1 The Audit Commission is expected to provide an unqualified audit opinion on the Statement of Accounts and therefore will report as follows.

“The Authority’s financial statements give a true and fair view of the state of Shropshire Council’s affairs as at 31 March 2011 and of its income and expenditure for the year then ended in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom; and

The Group financial statements give a true and fair view of the state of Shropshire Council’s affairs as at 31 March 2011 and of its income and expenditure for the year then ended in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom.

In my opinion the pension fund accounts and related notes give a true and fair view of the financial transactions of the pension fund during the year ended 31 March 2011 and the amount and disposition of the fund’s assets and liabilities as at 31 March 2011, other than liabilities to pay pensions and other benefits after the end of the scheme year. The accounts have been properly prepared in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom.”

## **7. Changes from the Draft Statement of Accounts Certified by the S151 Officer on 30 June 2011**

- 7.1 There have been no material changes to any of the main accounting statements since the version reported to the Audit Committee in June 2011. A number of technical changes and minor typographical errors have been made, all with the agreement of the Audit Commission. The main changes are listed below:

- a) An additional accounting policy has been included for Cash and Cash Equivalents (page 32).
- b) The Provision in relation to Accumulated Absences (Employee Benefits) has been categorised as a Current Liability rather than a Long Term Liability in the Council’s Balance Sheet (page 41).
- c) The Financial Instruments Note has been amended to include disclosures on Long Term Investments and Cash held at Bank (page 64).
- d) Additional disclosures or minor corrections have been made within the Notes to the Accounts.
- e) The extract of the Pension Fund Accounts (pages 129-130) has been amended to take account of a number of adjustments that have been identified during the Pension Fund audit. These items have been reported to the Pensions Committee on the 15<sup>th</sup> September 2011.

- f) Group Accounts (pages 122-128) have been amended to reflect audit changes made to the company accounts included within the Group and to include a number of other minor amendments.

**List of Background Papers (This MUST be completed for all reports, but does not include items containing exempt or confidential information)**

Statement of Accounts 2010/11. Audit Committee 16 June 2011.

CIPFA's Code of Practice (Code) on Local Authority Accounting

CIPFA/SOLACE guidance on the Annual Governance Statement

Revenue and Capital Budget 2010/11

**Cabinet Member**

All

**Local Member**

All

**Appendices**

1. Statement of Accounts 2010/11 (Audited)

**Decision(s)**