

AUDIT & GOVERNANCE COMMITTEE – 19 SEPTEMBER 2012
FINAL STATEMENT OF ACCOUNTS 2011/12
Report by Assistant Chief Executive and Chief Finance Officer

Introduction

1. The Accounts and Audit Regulations 2011 require the Statement of Accounts 2011/12 to be considered by a committee of the Council by 30 September 2012 and, following that consideration, to be approved by a resolution of that committee. The regulations also require that, following approval, the Statement of Accounts is signed and dated by the chairman of the committee approving the accounts. The Assistant Chief Executive and Chief Finance Officer must re-certify the Statement of Accounts before the committee approves it.
2. The Statement of Accounts presented for the Audit & Governance Committee's approval reflects adjustments made following the audit of the accounts. The Audit Commission's annual governance reports set out the audit issues identified during the course of the main accounts audit and the audit of the Pension Fund accounts and an explanation of the adjustments made is provided below.

Main Accounts

Core financial statements

3. The Comprehensive Income and Expenditure Statement has been corrected for a £0.2m understatement of grant income and expenditure and this amendment has been reflected in the corresponding notes.
4. In the Balance Sheet (and Note 51), £3.750m of Capital Grants Receipts in Advance has been moved from short-term to long-term to reflect the revised anticipated drawdown of Growing Places Fund capital grant.

Notes to the core financial statements

5. Note 14 *Exit Packages* has been amended to reflect a revised basis of compilation and to correct for the double count of £1.2m pension strain costs in the 2011/12 figures. In the revised disclosure cases are only included in the year they were agreed, with the amount included in the band being the accrued amount where payment has not been made in that year. Any differences between payments in the following year and amounts previously accrued are shown as a reconciling item, rather than being taken into account within each band.
6. Commentary has been added to Note 2 *Critical judgements in applying accounting policies* to explain the nature and purpose of the Oxfordshire Local Enterprise Partnership and to provide further clarification on the treatment of the Growing Places Fund.
7. Note 68 *Post Balance Sheet Events* has been revised to reflect that fourteen schools have now converted to academies during 2012/13 and the value of assets transferring has risen to £204m.
8. Minor changes have also been made to Note 8 *Youth Offending Service* and Note 23 *Related Party Transactions*.

The Local Government Pension Fund Accounts

9. There have been some minor reclassifications of amounts within the Fund Account and Net Assets Statement. Additional information has been provided in relation to key management personnel in Note 15 *Related Party Transactions*. Financial instruments disclosures have been amended to exclude statutory debtors and creditors and to reflect that financial instruments are carried at fair value not historic cost. Other changes include amendments to membership numbers within Note 1 to exclude frozen refunds, clarification of the reason for the change in accounting policy on cash balances in Note 3 and amendment to the prior year's figure for the present value of funded obligation in Note 27.

The Fire-fighters Pension Fund Accounts

10. There have been some minor corrections to the Fund Account and Net Assets Statement and an additional note has been added on a possible contingent liability.

Annual Governance Statement

11. The text has been amended at paragraph 60 to clarify that the progress report related to the 2011/12 AGS Action Plan, not that for 2010/11.

Management Representation Letter

12. Auditing standards require the Audit Commission to obtain representations from management on certain matters material to their audit opinion. The Audit & Governance Committee are required to consider and approve the management representation letter before it is signed by the Assistant Chief Executive and Chief Finance Officer.

Conclusion

13. No material errors were identified during the audit. Changes to the accounts relate to correction of non-material errors within the financial statements, some additional disclosures and changes to the notes to the accounts.

RECOMMENDATION

14. **The Committee is RECOMMENDED to:**
 - (i) **Consider and approve the Statement of Accounts for 2011/12;**
 - (ii) **Consider and approve the Management Representation Letter 2011/12.**

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Assistant Chief Executive and Chief Finance Officer

Background Papers: Nil

Contact Officer: Stephanie Skivington, Corporate Finance Manager (Tel. 01865 323995)

September 2012