

FINANCIAL STATEMENTS – 2011/12

1 INTRODUCTION

- 1.1 This report advises the Audit Committee on the plans in place for financial year end 31 March 2012 and the preparation of the Council's Financial Statements for 2011-12.
- 1.2 2011-12 is the second year where the financial statements will be fully prepared in accordance with International Financial Reporting Standards (IFRS). There are no major changes in accounting practice apart from the introduction of Financial Reporting Standard (FRS) 30 – *Heritage Assets* which will be disclosed as a change in accounting policy.

2 RECOMMENDATIONS

- 2.1 To note that plans are in place to prepare the Council's financial statements, consistent with the Accounting Code of Practice and submit them to Council prior to 30 June 2012 in line with the Scottish Government's requirements.

3 DETAIL

- 3.1 "An Audit Committees – Practical Guidance for Local Authorities" has been issued by the Chartered Institute of Public Finance and Accountancy (CIPFA). This suggests that Audit Committees should have an overview of the plans made for preparation of the council's financial statements.
- 3.2 A set of instructions for the end of the financial year have been drafted. These cover year-end close down of the council's financial systems and the preparation of a set of accounts in line with professional and legislative requirements.
- 3.3 The project plan included with the instructions is detailed and includes the following milestones:
- Capital expenditure, capital charges and treasury management revenue accounts completed by 30 April.
 - Revenue expenditure, creditors, debtors, accruals and prepayments completed by 30 April.

- Council Tax and NDR entries completed by 18 May.
- Review and adjustments to ledger and central department cost allocations completed by 18 May.
- Preparation of unaudited single entity financial statements including report by Head of Strategic Finance by 8 June.
- Unaudited single entity financial statements considered by a meeting of the Full Council on 28 June. If the Group Accounts are ready by the Full Council Meeting they will also be considered by Members at this point in time.
- Submission of Unaudited Financial Statements to Accounts Commission by the statutory deadline of 30 June 2012.

3.4 The plans are in line with previous years. Previously external Audit has been satisfied with the quality of working papers and general arrangements for preparation of the financial statements. The plan should result in Financial Statements prepared by the required deadline of 30 June 2012 and with supporting documentation of a standard to enable completion of the audit by the required deadline of 30 September 2012.

3.5 Copies of both sets of instructions / timetables are available from the Head of Strategic Finance if required.

Bruce West
Head of Strategic Finance
9 March 2012