

**REPORT FOR: Governance, Audit and Risk Management Committee**

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**Date of Meeting:** 21 September 2011

**Subject:** **Statement of Accounts 2010-11**

**Responsible Officer:** Julie Alderson, Interim Director of Finance

**Portfolio Holder:** Bill Stephenson, Leader and Portfolio Holder for Finance and Business Transformation

**Exempt:** No

**Enclosures:** Appendix 1: Statement of Accounts 2010/11  
Appendix 2: ISA260 report of the Auditor  
Appendix 3: ISA260 report of the Auditor on Pension Fund  
Appendix 4: Pension Fund Annual Report

## **Section 1 – Summary and Recommendations**

This report sets out the audited Statement of Accounts for 2010-11

**Recommendations:**

1. Consider the report of the External Auditor for both Harrow and the Pension Fund;
2. Approve the Accounts for 2010-11; and
3. Note the Pension Fund Annual Report of 2010/11.

**Reason:**

The Statement of Accounts represents an important formal corporate statutory document. This is reflected in the requirements of the Account and Audit Regulations 2003 and requires the accounts to be signed and dated as approved by the Chairman of the approving Committee.

## **Section 2 – Report**

1. The production and approval of the accounts is an important process as it enables stakeholders to review the Council's financial position for the year ended 31<sup>st</sup> March 2011. The draft Statement of Accounts was signed on 30 June 2011 by the Interim Director of Finance who is the Chief Finance Officer.
2. The accounts were subject to audit for which the external audit began on the 4<sup>th</sup> July 2011.
3. The Committee met on 6 September to receive an update on the audit and the issues arising from the Interim Director of Finance. The External Auditor attended a pre meeting and reported on the progress of the audit and areas being reviewed.
4. The 2010/11 Statement of Accounts is set out in Appendix 1. The Auditor will present the ISA260 report on the accounts at the meeting (Appendices 2 and 3). Overall the audit findings have not highlighted any significant risks or errors. Minor issues are raised in respect of Key Audit Risks in section 2 and Accounting and internal control systems in section 4 of the ISA 260 report for which management has either already taken action or the work is in progress to implement the recommendations.
5. The Audit adjustments agreed with the Auditor at the time of preparing this report are presented as Appendix 1 of the ISA260 report. The Auditor may raise additional points prior to signing off the accounts.
6. We are on target to sign off the accounts by the statutory deadline of 30 September 2011.
7. The 2010/11 accounts have been prepared for the first time in full accordance with the International Financial Reporting Standards (IFRS). Members of the GARM committee have received regular updates on progress, incorporating technical changes and the challenge in producing a greater volume of disclosure notes.
8. The Finance and the valuation teams have been working extremely hard over the past year to ensure that the Council's accounts comply with the IFRS. This was recognised in the audit commission survey in March 2011 on readiness for IFRS for which the council received a green status. This was once again evident when CIPFA acknowledged Harrow's work on componentisation as a good example of accounting policy and has published it for distribution to its members within the public sector.
9. Under first time adoption rules, 2009/10 and 2008/09 balances have been restated. The Statement of Recommended Practice (SORP) has been replaced with the Code of Practice on Local Authority Accounting.

## Financial Implications

10. Financial matters are integral to the report.

## Risk Management Implications

11. These are addressed in the Statement on Internal Control for 2010/11 which is incorporated as part of the Statement of Accounts.

## Corporate Priorities

12. The Statement of Accounts 2010/11 provides assurance that the Council has managed and delivered its finances in accordance with its approved plans and budget.

## Section 3 - Statutory Officer Clearance

Name: Julie Alderson



Chief Financial Officer

Date: 12 September 2011

Name: Matthew Adams



On behalf of monitoring officer

Date: 13 September 2011

## Section 4 - Contact Details and Background Papers

**Contact:** Hasina Shah, Finance Business Partner (Tel: 0208 424 1573 – internal 2573)

**Background Papers:** Draft Statement of Accounts Report to Governance, Audit and Risk Management Committee on 29 June 2010.