

Report To:	Audit Committee	Date:	27 September 2012
Report By:	Chief Financial Officer	Report No:	FIN/80/12/AP/JB
Contact Officer:	Alan Puckrin	Contact No:	01475 712223
Subject:	Audit of Inverclyde's Annual Accounts 2011/12 – International Standard on Accounting 260		

1.0 PURPOSE

- 1.1 The purpose of this report is to present to Members key documents in relation to the Final Accounts 2011/12 and to consider the matters raised in the documents presented.

2.0 SUMMARY

- 2.1 It is a statutory requirement of the accounts closure process that Members of the Council receive a letter from the appointed External Auditors prior to the 27 September 2012 highlighting the main matters arising in respect of prior years accounts. This letter, (ISA260), does not replace the more substantial Member's letter which will be produced during October and which will be considered at Full Council on 29 November 2012.
- 2.2 The ISA 260 is attached at Appendix 1 and includes the letter of representation from the Chief Financial Officer. This letter provides External Auditors with assurance regarding some of the key accounting requirements and assumptions utilised when closing the 2011/12 Accounts. From this letter the Council's External Auditors can arrive at a view when expressing an opinion as to whether the financial statement presented a true and fair view of the financial position of Inverclyde Council at 31 March 2012.
- 2.3 In addition to the above, a copy of the final 2011//12 Annual Accounts is also attached. The Committee will recall that it reviewed the draft accounts prior to their submission to Audit Scotland in June 2012 and based on all the above information it can be seen that there are limited changes arising from the audit. The ISA 260 document is prepared by the Council's External Auditors. It covers the nature and scope of the audit, details any qualifications, details of any unadjusted misstatements, details of any material weaknesses in the accounting and internal control systems, gives a view on the qualitative aspects of the accounting practices and any other matters specifically required to be communicated to Members.
- 2.4 The Chief Financial Officer, Chief Executive and other relevant Officers will be present at the meeting to answer any questions Members may have in regard to the documentation referred to in paragraph 2.2 or the Annual Accounts.
- 2.5 The information provided to Committee is the culmination of significant amount of work within Finance Services, other Services of the Council and the Council's External Auditors. Based on the reports presented today, the Committee are advised that the accounts closure process for 2011/12 has been of a high quality. This year has been the first year of a 5 year appointment with our External Auditors, Grant Thornton and is testament to the significant work by Officers in the Council and in particular the Finance Service and their positive working relationship with Grant Thornton.

3.0 RECOMMENDATIONS

- 3.1 It is recommended that Committee note the contents of this report, welcome the achievement of another qualification free set of accounts and consider the issues raised in the attached appendices relating to the 2011/12 audited Annual Accounts.

Alan Puckrin
Chief Financial Officer