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**REVISION AND CONSOLIDATION OF THE ACCOUNTS AND AUDIT  
REGULATIONS 2003**

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**SUMMARY REPORT**

**Purpose of Report**

1. To update Members on changes to the Accounts & Audit Regulations 2003.

**Summary**

2. The Accounts and Audit Regulations contain important provisions on financial management, annual accounts and audit procedures affecting all local authorities and a number of other local public bodies.
3. The 2003 Regulations have been substantially amended, in particular by an amending instrument made in 2006 and two in 2009. The amendments in 2011 have made it highly desirable for consolidation to take place so that there is a clear statement of the important provisions for the benefit of those they affect.
4. The current regulations require members to approve the annual accounts before they have been reviewed by the external auditor. This is out of step with requirements in the private sector and elsewhere in the public sector, where members will be aware of the findings of the audit before they approve the accounts. It is considered that it would be more appropriate for bodies covered by the regulations to follow the general practice of other bodies, so that members give their approval in the knowledge of the audit findings.
5. To facilitate this, the regulations make the following provisions on the procedure for approval and publication of the annual accounts:
  - No later than 30 June following the financial year end the responsible financial officer (Director of Resources) must certify the presentation of the annual accounts in accordance with the current requirements of regulations 10(2).
  - The annual accounts must be published with the audit opinion and certificate, and before that must have been approved by members. The body must use its best endeavours to secure approval and publication by no later than 30 September.
  - The responsible financial officer must re-certify the presentation of the annual accounts before member approval is given.
6. The current regulations require the statement of internal control (Annual Governance Statement) to be included with an authority's published accounts. This has been amended to require the statement to accompany the published accounts, to make clear that the statement is not part of the accounts.

7. These new regulations came into effect on 31 March 2011 and therefore apply to the 2010/11 Statement of Accounts.

**Recommendation**

8. It is recommended that the report be noted

**Reasons**

9. The recommendation is supported as it comprises part of the Council’s corporate governance arrangements

**Paul Wildsmith  
Director of Resources**

**Background Papers**

- (i) The Accounts and Audit Regulations (England) 2011

Peter Carrick : Extension 2326

S17 Crime and Disorder	There are no specific issues which relate to crime and disorder.
Health and Well Being	There is no specific health and well being impact.
Carbon Impact	This report has no implications for the Councils Carbon Emissions
Diversity	There is no specific diversity impact.
Wards Affected	All wards are affected equally.
Groups Affected	All groups are affected equally.
Budget and Policy Framework	This report does not affect the budget or policy framework.
Key Decision	This is not a key decision.
Urgent Decision	This is not an urgent decision.
One Darlington: Perfectly Placed	There is no specific relevance to the strategy beyond the report comprising part of the Council’s governance arrangements.
Efficiency	There is no specific efficiency impact.