

# TONBRIDGE & MALLING BOROUGH COUNCIL

## AUDIT COMMITTEE

10 April 2012

### Report of the Director of Finance

#### Part 1- Public

#### Matters for Information

**1 AUDIT COMMISSION BRIEFING – LET’S BE CLEAR – MAKING LOCAL AUTHORITY IFRS ACCOUNTS MORE ACCESSIBLE AND UNDERSTANDABLE**

**The Audit Commission in January 2012 issued a briefing entitled ‘Let’s be clear – Making local authority IFRS accounts more accessible and understandable’. This report sets out for Members’ information the issue/s discussed in the briefing.**

#### **1.1 Introduction**

1.1.1 Since 2007, the Audit Commission has issued a series of briefing on implementing International Financial Reporting Standards (IFRS) in local government.

1.1.2 This latest briefing focuses on a long running debate that the implementation of IFRS has revived: how to make local government accounts easier to understand. The briefing can be found at the following link:

<http://www.audit-commission.gov.uk/SiteCollectionDocuments/Downloads/20120118-lets-be-clear.pdf>

1.1.3 I agree with the comments in the briefing that local authority accounts are difficult to understand and that elected members and local people need accessible and clear information on financial performance, without needing to be accountants, and welcome the renewed efforts to bring about improvements.

1.1.4 As an authority we have, over a number of years, worked to produce shorter and more focused set of accounts whilst at the same time complying with statutory requirements and regulations and will continue to do so. In addition, an overview of the Statement of Accounts is prepared when presenting the accounts to Members and a Summary of Accounts and Review of the Year booklet produced to aid accessibility and understanding. Furthermore, detailed information on the Council’s income and expenditure for the year at Service budget level can be found in the Revenue and Capital Outturn booklet.

## **1.2 Legal Implications**

- 1.2.1 The Audit Commission is a public corporation set up in 1983 to protect the public purse. The Commission appoints auditors to councils, NHS bodies (excluding NHS Foundation trusts), police authorities and other local public services in England, and oversees their work. They also help public bodies manage the financial challenges they face by providing authoritative, unbiased, evidenced-based analysis and advice.

## **1.3 Financial and Value for Money Considerations**

- 1.3.1 As set out in accompanying Audit Commission document, 'Let's be clear – Making local authority IFRS accounts more accessible and understandable'.

## **1.4 Risk Assessment**

- 1.4.1 As set out in accompanying Audit Commission document, 'Let's be clear – Making local authority IFRS accounts more accessible and understandable'.

## **1.5 Policy Considerations**

- 1.5.1 Communications.

Background papers:

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Nil

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