

Committee:	Performance and Audit Committee	Agenda Item
Date:	29 September 2011	5
Title:	Annual Governance Report 2010/11	
Author:	Margaret Donaldson - Interim Accountant Stephen Joyce Assistant Chief Executive – Finance	Item for Note

Summary

1. Attached is the Annual Governance Report by the District Auditor, Debbie Hanson of the Audit Commission. The report summarises the outcomes of the 2010/11 audit. The auditors will attend the Committee to present the report and answer Members' questions.
2. The Assistant Chief Executive – Finance has been consulted on the report and is content that it reflects a fair summary of the outcomes from the audit process. The Assistant Chief Executive – Finance's advice to Members is that the content of the report and its appendices can be approved.
3. The audit was complete at the time of issuing this report (15 September).

Recommendations

4. As specified by the District Auditor in her report (page 4), Members are recommended to:
 - a) Take note of the adjustments to the financial statements which are set out in this report (page 15, Appendix 2);
 - b) take note of the unqualified Value For Money Conclusion (Pages 9 to 11);
 - c) approve the letter of representation on behalf of the Council before the auditor issues her opinion and conclusion (Page 16 to 18, Appendix 3).

Financial Implications

6. There are no direct financial implications arising from the recommendations.
7. None of the adjustments made arising from the external audit process affect the Council's revenue position, usable reserves (revenue or capital) or the outturn previously reported to Members.

Background Papers

[2010/11 Outturn Report](#) to Cabinet 16 June 2011.

[2010/11 Draft Accounts covering report](#) to Performance and Audit Committee
 18 August 2011

Impact

Communication/Consultation	The District Auditor's report has been agreed with the Assistant Chief Executive – Finance.
Community Safety	None
Equalities	None
Health and Safety	None
Human Rights/Legal Implications	It is a legal requirement that the Council approves the report prior to completion of the external audit and publication of the accounts.
Sustainability	None
Ward-specific impacts	None
Workforce/Workplace	None

Unadjusted misstatements

8. Officers have agreed with or clarified any issues raised by the auditor during the course of the audit. Therefore there are no “unadjusted misstatements” within the body of the District Auditor’s report.
9. The External Auditor in the ‘Other Matters’ paragraph of the Annual Governance report (Paragraph 9), identified a difference between the Non Domestic Rate System (NNDR) and the Financial System of £376,000. The difference is currently under review by Officers and relates to a balance brought forward in 2009/10. The matter will be resolved as part of the 2011/12 Accounts.

Risk Analysis

Risk	Likelihood	Impact	Mitigating actions
Additional issues arise as part of concluding the external audit	1	2	As at 15 th September 2011, the audit work was complete.

- 1 = Little or no risk or impact
- 2 = Some risk or impact – action may be necessary.
- 3 = Significant risk or impact – action required
- 4 = Near certainty of risk occurring, catastrophic effect or failure of project.