

<b>MEETING:</b>	<b>AUDIT AND GOVERNANCE COMMITTEE</b>
<b>DATE:</b>	<b>29 SEPTEMBER 2011</b>
<b>TITLE OF REPORT:</b>	<b>ANNUAL GOVERNANCE REPORT 2010/11</b>
<b>PORTFOLIO AREA:</b>	<b>CORPORATE SERVICES AND EDUCATION</b>

## **Wards Affected**

None

## **Purpose**

To introduce the external auditor's Annual Governance Report for 2011 which sets out:

- a. Their opinion on the financial statements for 2010/11
- b. Their opinion on the council's arrangements for securing value for money.
- c. Their recommendations for further improvements in the council's governance arrangements arising from their audit work.

## **Key Decision**

This is not a Key Decision.

## **Recommendations**

**THAT:**

- (a) **The Audit & Governance Committee discusses the content of the Annual Governance Report (AGR) for 2010/11 attached to this report with the external auditor.**
- (b) **The Audit & Governance Committee approves the Draft Letter of Representation (Appendix 2 of the AGR 2010 attached to this report refers) for signature by the Chair of the Committee and the Chief Officer.**

## **Alternative Options**

- 1 This is an information report and therefore no alternative options are outlined.

## **Reasons for Recommendations**

- 2 The statutory Code of Audit Practice in Local Government Bodies requires the external auditor to make a report to those charged with governance that summarises the

conclusions they have drawn from their audit work and their opinion on the financial statements and value for money. The Council's Constitution sets out the Audit & Governance Committee's responsibilities for matters of governance.

## **Key Considerations**

3. The Audit Commission anticipates issuing an unqualified opinion on both the statement of accounts for 2010/11 and the council's arrangements for securing value for money by the statutory deadline of 30 September 2011.
4. The Audit Commission has not identified any material or significant issues to bring to the Committee's attention this year.
5. There are no important weaknesses in internal control
6. Proper arrangements are in place to secure value for money
7. In 2010/11 the Council was required for the first time, to prepare financial statements under International Financial Reporting Standards (IFRS). In general this project was very well managed.
8. An unqualified conclusion stating that the Council had adequate arrangements to secure economy, efficiency and effectiveness in the use of resources

## **Financial Implications**

- 8 None arising directly from this report.

## **Legal Implications**

- 9 This report has no legal implications.

## **Risk Management**

- 10 The Audit & Governance Committee is charged with responsibility for corporate governance and will monitor progress made by management in addressing the issues identified in the external auditor's Annual Governance Letter for 2010/11. The will report progress in the internal audit assurance report presented at each of the Committee's meetings.

## **Consultees**

- 11 None.

## **Appendices**

- 12 Annual Governance Report 2010/11 (attached as an appendix to this report).