



AGENDA ITEM: 5

AUDIT AND GOVERNANCE COMMITTEE:

25 September 2012

Report of: Borough Treasurer

Relevant Managing Director: Managing Director (People and Places)

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**SUBJECT: AUDIT COMMISSION ANNUAL GOVERNANCE REPORT AND
APPROVAL OF THE STATEMENT OF ACCOUNTS**

Wards affected: Borough wide

1.0 PURPOSE OF THE REPORT

1.1 To receive the Annual Governance Report from the External Auditors and to approve the Statement of Accounts.

2.0 RECOMMENDATIONS

2.1 That the Audit Commission's Annual Governance Report set out in Appendix 1 be noted.

2.2 That the Accounts be approved in accordance with the relevant Accounts and Audit Regulations.

2.3 That the Letter of Representation set out in Appendix 2 be approved.

3.0 BACKGROUND

3.1 The unaudited Statement of Accounts for 2011-12 was considered by the Audit and Governance Committee at its meeting in June. Members may wish to bring their copy of this Statement to the meeting, or alternatively download it from the following web link:

<http://online.westlancs.gov.uk/coins/viewDoc.asp?c=e%97%9Dc%91mz%8F>

3.2 During the Summer months a team of auditors from the Audit Commission has spent several weeks auditing the accounts and this Statement. The External Auditors are now required to present their findings from this audit in an Annual Governance Report to Members.

3.3 It is part of the terms of reference of this Committee that it will approve the Council's Statement of Accounts each year. The Accounts and Audit Regulations require that this approval has to take place by 30th September.

4.0 AUDIT FINDINGS AND STATEMENT APPROVAL

4.1 At the time of writing this report the Audit Commission had almost completed their audit on the accounts, and their findings to date are set out in the Annual Governance Report in Appendix 1. This shows that it is expected that the Council will once again receive an unqualified opinion on its accounts, which certifies that the accounts provide a true and fair view of the financial position and performance of the Council. This Report also provides an unqualified opinion on the Council's arrangements for securing economy, efficiency and effectiveness in its use of resources. Representatives of the Audit Commission will attend the Committee meeting to present their findings and answer any questions that Members may have on the Annual Governance Report.

4.2 As a result of the audit, it is intended that a small number of additional disclosures will be included in the accounts. These changes will not alter any of the figures in the statement but will provide more detail to assist the reader in understanding the accounts. Details on these minor wording changes will be provided to Members when they have been finalised. It is proposed that the Statement be approved incorporating these minor amendments.

5.0 LETTER OF REPRESENTATION

5.1 It is standard practice that the Council should provide its External Auditors with a Letter of Representation to confirm a range of issues in relation to the accounts, including the fact that the accounts have been properly prepared and that all relevant information has been provided.

5.2 A copy of this letter is contained in Appendix 2 and Members are asked to consider and approve this document.

6.0 SUSTAINABILITY IMPLICATIONS/COMMUNITY STRATEGY

6.1 There are no significant sustainability impacts associated with this report and, in particular, no significant impact on crime and disorder. The report has no significant links with the Sustainable Community Strategy.

7.0 RISK ASSESSMENT

- 7.1 The audit of the Statement is part of the overall control framework that is designed to ensure that the Council properly accounts for the use of its assets and resources.
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Background Documents

There are no background documents (as defined in Section 100D(5) of the Local Government Act 1972) to this Report.

Equality Impact Assessment

The decision does not have any direct impact on members of the public, employees, elected members and / or stakeholders. Therefore no Equality Impact Assessment is required.

Appendices

Appendix 1 - Audit Commission Annual Governance Report
Appendix 2 – Letter of Representation