

Agenda Item No.9

Title: Annual Governance Report and Statement of Accounts
2005/2006

Lead Member: Cllr Hames - Chair of Audit Committee

Reporting Officer: Ian Jamieson - Head of Finance

Purpose

To consider the Audit Commission Annual Governance report 2005/2006 and note the changes to the Statement of Accounts 2005/2006 following audit.

Background

This report covers the Auditors work required to form an opinion on the Authority's financial statements and whether the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

Key Issues

Financial Statements

Work on the financial statements is substantially complete and an unqualified audit opinion is anticipated by 29 September 2006.

Qualitative aspects of accounting practices and financial reporting - there are no issues that the auditor wishes to bring to your attention.

Material weaknesses in the internal control identified during the audit - there are no issues that the auditor wishes to bring to your attention.

Recommendation 1

This relates to a technical accounting difference introduced through a change in regulations in 2004/2005. In common with many other authorities further work has been undertaken to identify and correct the difference. However, transactions go back to 1990 and it has not been possible to account in full for the difference. This has already consumed significant resources within the accountancy team and further days can not be committed beyond the end of October.

The difference is not considered to be material and will not impact on the Council until it goes into debt. When this happens there will be an additional charge to revenue above the minimum required, estimated at £24,000.

Recommendation 2

This relates to a reconciliation issue between the general ledger and local taxation system. Work is being carried out to balance the systems as a matter of priority.

Use of Resources

Work on the Authority's arrangements to secure economy, efficiency and effectiveness in its use of resources is now complete and an unqualified opinion is anticipated by 29 September 2006.

Effect on strategies and codes

These are contained in the report.

Risk Management implications

These are contained in the report.

Financial and performance implications

These are contained in the report.

Legal and human rights implications

There are no direct legal or human rights implications.

Next steps

The audit committee considers the report and notes the adjusted financial statements.

The letter of representation is signed by the Head of Finance on behalf of the Authority.

Further work is carried out to identify the remaining differences between the general ledger and the local taxation system.


The Financial Statements are published and forwarded to all Members and posted to the Council's website.

Recommendations

That the audited Statement of Accounts for the financial year ended 31 March 2006 is noted.

That the Annual Governance report 2005/2006 is noted.

Background Papers: Final Accounts Working Papers – Room 33

 Plain English guidance given

4 September 2006

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