



St Edmundsbury  
BOROUGH COUNCIL

# B250

## Cabinet 20 October 2010

### Report of the Performance and Audit Scrutiny Committee: 27 September 2010

1. **Audit Commission presentation of 2009/10 ISA 260 Annual Governance Report to those charged with governance**
  - 1.1 The Committee's September meeting is held each year to enable the Audit Commission to formally present its Annual Governance Report to the Committee. The report presented the results of the Commission's work to date for 2009/2010, and set out the key issues which Members were asked to consider before the audit was completed. Neil Harris, District Auditor took Members through the report, drawing their attention to the main points, as follows.
  - 1.2 The first element of the governance report, audit of the Council's financial statements, was now substantially completed, and subject to satisfactory completion of outstanding work the District Auditor planned to issue an unqualified financial statements opinion on 30 September 2010. A number of non-trivial errors had been adjusted for, and one non-trivial error had not been adjusted for, as set out in Appendix 2 of the report, for the reason, agreed by Members, that *'the sum involved is not considered to be material in relation to total capital spend during 2009/2010 of £15.4m and has not therefore been adjusted in the accounts'*.
  - 1.3 Appendix 3 to the report set out the draft letter of representation on behalf of the Council before the District Auditor issued his opinion and conclusion, and this was approved by Members. The Chairman of the Committee signed the letter of representation, as attached at Appendix 3 to the report.
  - 1.4 The District Auditor had also assessed the Council's value for money arrangements, and as a result of his assessment intended to issue an unqualified value for money conclusion, stating that the Council has adequate arrangements to secure economy, efficiency and effectiveness in its use of resources. A lot of the work which had fed into this had been under the now withdrawn Use of Resources regime under Comprehensive Area Assessment, and the District Auditor said that it was regrettable that he was unable to tell the Council what its Use of Resources scores would have been, except to convey a strong message on the Council's performance under value for money.
  - 1.5 Appendix 5 of the report consisted of an Action Plan to which Members were asked to respond.

- 1.6 Finally, the District Auditor advised that the audits had been carried out in an efficient manner, and thanked the Council's Finance Team for their co-operation and assistance. He confirmed that there would be no additional fees necessary over the originally proposed audit fee, and was satisfied to close the 2009/2010 audit, and issue his Financial Statements opinion, Value for Money conclusion and audit closure certificate.
- 1.7 The Committee considered the matters raised in the report and noted that the financial statements presented for audit were free from material misstatement, and that a number of non-trivial errors had been adjusted for. They also noted the one non-trivial error that had not been adjusted for, and agreed that the reason for not amending this error was as set out in the draft letter of representation at Appendix 3 to the report. Members also noted the proposed value for money conclusion set out at Appendix 4 to the report
- 1.8 Finally, as required, the Committee approved the letter of representation on behalf of the Council set out in Appendix 3, and agreed the Chief Finance Officer's response to the proposed Action Plan at Appendix 5.
- 1.9 The District Auditor congratulated the Council on another good performance, and the Committee acknowledged that this was down to the performance of the Finance Team, and congratulated the Chief Finance Officer and her team.

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