

TONBRIDGE & MALLING BOROUGH COUNCIL

AUDIT COMMITTEE

11 October 2011

Report of the Director of Finance

Part 1- Public

Matters for Information

1 ANNUAL GOVERNANCE REPORT AND STATEMENT OF ACCOUNTS 2010/11

To inform Members of the outcome of the audit of the Council's Accounts for 2010/11.

1.1 Introduction

1.1.1 Our external auditor (the District Auditor) is required by the Audit Commission's statutory Code of Practice for Local Government bodies to issue a report to those charged with governance covering, amongst other things, the outcome of the audit of the Accounts, and for this to be endorsed and approved before the Accounts are signed off.

1.1.2 Under the Council's constitutional arrangements the Annual Governance Report for 2010/11 [**Annex 1**] was presented to the meeting of the General Purposes Committee on 5 September and endorsed and approved.

1.2 District Auditor's Conclusions and Recommendations

1.2.1 Members will note there was no material or significant issues that need to be brought to the attention of the Committee following the audit.

1.2.2 However, for Members' information and completeness we did receive a revised pension report from the Actuary on 24 June (one working day before the June meeting of the General Purposes Committee at which Members received and approved an unaudited copy of the Statement of Accounts) and updated the financial statements and pension note accordingly. This has seen the pension liability and 'negative' pensions reserve reduce to £30,101,000 (previously £30,963,000). In addition, a review by our external auditors of a sample of S.106 agreements treated as Grants and Contributions in Advance found that one of the agreements in the sum of £744,000 should have been classed as Contributions Unapplied as there was no condition to repay.

1.2.3 Since only the financial changes noted above or technical or textual changes have been made to the Accounts following the audit, I do not propose circulating copies of the audited Accounts to all Members. A schedule of all the changes made to the Accounts can be found at **[Annex 2]**.

1.2.4 For completeness the Chairman of the General Purposes Committee re-signed the Accounts at the meeting on 5 September and the District Auditor issued an unqualified opinion on 8 September.

1.2.5 A copy of the Statement of Accounts 2010/11 will be placed in the Members' library and is also available on the Council's website at:

http://www.tmbc.gov.uk/assets/finance/Statement_of_Accounts_1011.pdf

1.2.6 In addition, we have prepared a Summary Statement of Accounts document for publication, copies of which will also be placed in the Members' library and made available on the Council's website at:

<http://www.tmbc.gov.uk/assets/finance/SummaryOfAccounts2010-11.pdf>

1.3 Legal Implications

1.3.1 There are a number of legislative requirements to consider in the preparation and publication of the Statement of Accounts that have been addressed as we moved through the closedown process.

1.4 Financial and Value for Money Considerations

1.4.1 The cost of the work carried out by the District Auditor is as notified to us in the 2010/11 Audit Plan.

1.5 Risk Assessment

1.5.1 The Statement of Accounts is a statutory document and, therefore, failure to prepare and publish the Accounts in accordance with proper accounting practice and within the statutory timescale could lead to qualification of the Accounts by the District Auditor.

Background papers:

Nil

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