

TONBRIDGE & MALLING BOROUGH COUNCIL

GENERAL PURPOSES COMMITTEE

24 September 2008

Joint Report of the Chief Executive and the Director of Finance

Part 1- Public

Delegated

1 AUDIT COMMISSION – ANNUAL GOVERNANCE REPORT 2007/08

Members are invited to endorse and approve the Annual Governance Report for 2007/08 from the Audit Commission, and request that the Chairman countersigns the Letter of Representation (Annex 2) which has been prepared by the Director of Finance.

This Report needs to be approved prior to the final certification of the Financial Statements for 2007/08 (see later on this agenda). A representative from the District Auditor's office will be present at the meeting to present the report and answer any questions.

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 summarising the conclusions of his audit work. The Council's Constitution states that it is the General Purposes Committee that is charged with governance as far as this function is concerned.

1.1.2 In accordance with this requirement, the District Auditor (DA) has issued, at **[Annex 1]** an Annual Governance Report for the financial year 2007/08. A representative from the Audit Commission will be present at the meeting to present the report and answer any questions.

1.2 DA's Conclusions and Recommendations

1.2.1 Members will note that there are no material or significant issues that need to be brought to the attention of the Committee. The DA anticipates being able to issue an unqualified opinion on the Accounts which are dealt with later on this agenda.

1.2.2 The report includes two recommendations (page 7 of the Annual Governance Report), both of which the Management Team have accepted and officers are putting in place procedures to address these issues.

- 1.2.3 For completeness and to demonstrate best practice, it is recommended that the Chairman of the Committee countersigns the Letter of Representation prepared by the Director of Finance. A copy of the letter is attached at **[Annex 2]**. Accordingly, a statement has been appended to the end of the letter which says:

“The Annual Governance Report and this letter were considered by Members at the General Purposes Committee on 24 September 2008. All issues were accepted and agreed”.

- 1.2.4 If Members are agreeable to the above the countersigned letter will be handed to the District Auditor at the end of the meeting.

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 which have been, or are being, addressed as we move through the closedown process.
- 1.3.2 The DA has undertaken this work complying with the statutory requirements of the Audit Commission Act 1998.

1.4 Financial and Value for Money Considerations

- 1.4.1 As a result of some additional work the DA had to carry out in the course of the audit, the fee charged is approximately £3,000 more than estimate. This will be reflected in the Revised Estimates.

1.5 Risk Assessment

- 1.5.1 This is a statutory process. Failure to prepare and publish the Accounts in accordance with proper accounting practice and within the statutory timescale could adversely affect the Council’s CPA rating.

1.6 Recommendations

- 1.6.1 Members are **RECOMMENDED** to:

- 1) Endorse and approve the Annual Governance Report for 2007/08; and
- 2) Request the Chairman of the General Purposes Committee to countersign the Letter of Representation as outlined in paragraph 1.2.3 above.

Background papers:

contact: Sharon Shelton

Nil

David Hughes
Chief Executive

Sharon Shelton
Director of Finance