

TONBRIDGE & MALLING BOROUGH COUNCIL

GENERAL PURPOSES COMMITTEE

25 September 2012

Report of the Director of Finance

Part 1- Public

Delegated

1 AUDIT COMMISSION – ANNUAL GOVERNANCE REPORT 2011/12 AND STATEMENT OF ACCOUNTS 2011/12

Members are invited to endorse and approve the Annual Governance Report for 2011/12 from the Audit Commission and request that the Chairman countersigns the Letter of Representation which has been prepared by the Director of Finance. This report is to be approved prior to the District Auditor signing off the Accounts. The District Auditor and or his representative will be at the meeting to present the report and to answer 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 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. Under the Council's constitutional arrangements it is this Committee that is charged with governance for this purpose.

1.1.2 In accordance with this requirement, the Annual Governance Report for 2011/12 is attached at **[Annex 1]**. The District Auditor and or his representative will be at the meeting to present the report and to answer questions.

1.2 District Auditor's Conclusions and Recommendations

1.2.1 Members will note there are no material issues that need to be brought to the attention of the Committee and that the District Auditor anticipates being able to issue an unqualified audit opinion.

1.2.2 Appendix 3 to the Annual Governance Report sets out details of what is viewed to be an uncorrected misstatement. The reasons for not correcting the misstatement can be found in the schedule attached to the Letter of Representation **[Annex 2]**.

- 1.2.3 For completeness and in accordance with best practice it is recommended that the Chairman countersigns the Letter of Representation [**Annex 2**] prepared by the Director of Finance. Accordingly, there is a statement at the end of the letter which reads:

"I confirm that this letter has been discussed and agreed by the General Purposes Committee on 25 September 2012".

- 1.2.4 If Members agree with the above the countersigned letter will be handed to the District Auditor or his representative at the meeting.

1.3 Statement of Accounts

- 1.3.1 As noted at paragraph 1.2.1 we are pleased to report that there was no material or significant issues that need to be brought to the attention of the Committee following the audit.

- 1.3.2 The revised statement does include a small number of minor technical or textual changes, some of which are referred to in the Annual Governance Report. As a result I do not propose circulating copies of the audited Accounts to all Members. For completeness, however, I will be asking the Chairman to sign a copy of the audited Accounts for 2011/12. Further copies may be obtained by contacting my Chief Accountant, Neil Lawley on 876095, or my Principal Accountant, Paul Worden on 876106 who will be pleased to supply a copy and answer any questions you may have.

1.4 Legal Implications

- 1.4.1 There are a number of legislative requirements to consider in the preparation and publication of the Statement of Accounts which will be addressed as we move through the closedown process. The District Auditor has undertaken the audit in accordance with the requirements of the Audit Commission Act 1998.

1.5 Financial and Value for Money Considerations

- 1.5.1 The cost of the work carried out by the District Auditor is as notified to us in the 2011/12 Audit Plan.

1.6 Risk Assessment

- 1.6.1 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.

1.7 Equality Impact Assessment

- 1.7.1 See 'Screening for equality impacts' table at end of report

1.8 Recommendations

1.8.1 Members are **RECOMMENDED** to:

- 1) Endorse the decision not to amend the accounts in respect of the misstatement detailed in Appendix 3 to the Annual Governance Report and the reasons for not doing so outlined in the schedule attached to the Letter of Representation **[Annex2]**.
- 2) Approve the Annual Governance Report for 2011/12.
- 3) Request that the Chairman countersign the Letter of Representation **[Annex 2]**.
- 4) Request that the Chairman sign the Accounts in the appropriate place.

Background papers:

Nil

contact: Neil Lawley
Paul Worden

Sharon Shelton
Director of Finance

Screening for equality impacts:		
Question	Answer	Explanation of impacts
a. Does the decision being made or recommended through this paper have potential to cause adverse impact or discriminate against different groups in the community?	No	This deals with the requirement for the District Auditor to present a report on, amongst other things, the outcome of the audit of the Council's Accounts.
b. Does the decision being made or recommended through this paper make a positive contribution to promoting equality?	N/A	This deals with the requirement for the District Auditor to present a report on, amongst other things, the outcome of the audit of the Council's Accounts.
c. What steps are you taking to mitigate, reduce, avoid or minimise the impacts identified above?		N/A

In submitting this report, the Chief Officer doing so is confirming that they have given due regard to the equality impacts of the decision being considered, as noted in the table above.