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**Audit Committee – 24th September 2009**

**Report of the Interim Director of Finance**

**Auditor's Annual Governance Report 2008/09**

**Purpose of Report**

1. To present the auditor's Annual Governance Report to the Audit Committee for consideration and approval, and to invite the Audit Committee to approve the formal Management Representation Letter to the Auditor.

**Background**

2. The Audit Commission's Code of Audit Practice 2005 requires external auditors to report to those charged with governance on the results of their work. The Council has delegated the responsibility for the approval of the Statement of Accounts, and all audit matters, to the Audit Committee.
3. The Accounts and Audit Regulations 2003 (as amended) formalised the responsibility of members of local authorities for the adequacy of financial management.
4. Towards the end of each audit of the annual accounts, the Interim Director of Finance provides a management representation letter (sometimes known as a letter of comfort), confirming the completeness and reliability of the information and records supplied to the auditors. The Audit Commission request that this letter should also be signed by the Chairman of this meeting, to evidence members' acknowledgment of responsibility for financial management. A copy of this letter is attached to the Annual Governance Report as Appendix 3.

**Annual Governance Report 2008**

5. The Report is attached, and will be presented by the District Auditor, Mr. Tony Corcoran. It includes findings from the audit of the 2008/09 accounts, and opinions on the Council's arrangements for securing value for money.

**Finance**

6. This report refers to various aspects of financial management, but does not give rise to any direct costs.

## Law

7. Legislation appertaining to Local Authority Audit and Accounts is contained in the Local Government Act 1972, part 2 of the Audit Commission Act, 1998, and regulations made thereunder.

## Equality Impact

8. The proposal takes account of the Council's policy in relation to equal opportunities.
9. With regard to children and young people:
  - There is no direct effect of the proposals on children and young people.
  - There has been no specific consultation with children and young people.
  - There has been no direct involvement of children and young people in developing the proposals.

## Recommendation

10. It is recommended that:-
  - the Committee considers the Annual Governance Report, and the auditor's comments.
  - the Committee approves the Letter of Representation.
  - the Chairman of the Committee signs and dates the Letter of Representation to give evidence of the approval above.



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**Bill Baker**  
**Interim Director of Finance**

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