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<b>REPORT TO:</b>	<b>AUDIT SUB COMMITTEE</b>	<b>AGENDA ITEM:</b>
<b>DATE OF MEETING:</b>	<b>26th SEPTEMBER 2007</b>	<b>CATEGORY: RECOMMENDED</b>
<b>REPORT FROM:</b>	<b>DIRECTOR OF CORPORATE SERVICES</b>	<b>OPEN</b>
<b>MEMBERS' CONTACT POINT:</b>	<b>KEVIN STACKHOUSE (595811)</b>	<b>DOC:</b> u/ks/audit committee/governance statement – covering report
<b>SUBJECT:</b>	<b>AUDIT COMMISSION: ANNUAL GOVERNANCE REPORT 2006/07</b>	<b>REF:</b>
<b>WARD(S) AFFECTED:</b>	<b>ALL</b>	<b>TERMS OF REFERENCE:</b>

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## **1.0 Recommendations**

- 1.1 That the report is received, considered and any issues arising are referred to the Audit Commission or the Council as appropriate.

## **2.0 Purpose of Report**

- 2.1 For the Audit Commission as the Council's appointed auditors, to present their statutory annual report on the Council's accounts and financial statements for 2006/07.
- 2.2 Under its terms of reference, the Committee is requested to consider the Commission's Report and raise any questions/issues accordingly.

## **3.0 Detail**

- 3.1 The Governance Report has been circulated under separate cover. The District Auditor will attend the meeting and present the report to Committee.
- 3.2 In summary, the report provides details on, together with any issues arising from, their audit of the Council's annual accounts, financial statements and major systems for 2006/07.
- 3.3 Consequently it will provide an opinion on those accounts which were approved in draft form to the Council's Finance and Management Committee on 28<sup>th</sup> June 2007.

## **Value for Money Assessment**

- 3.4 In addition, the Report assesses overall value for money arrangements at the Council. Consequently, the Commission also provides an opinion on whether overall the Council provides value for money.

## **Letter of Representation**

- 3.5 At the end of the Commission's audit, the Council is required to provide a Letter of Representation. This is appended to the Commission's Report. It requires the Council's Chief Finance (Section 151) Officer to provide assurances about the status of the accounts and financial statements.
- 3.6 It also confirms that the law, regulations and codes of practice have been complied with and that no irregularities exist that could have a material effect on the financial statements.
- 3.7 Essentially, it confirms that there are no material issues or transactions known, other than those already reported and disclosed that could materially affect the accounts for 2006/07.
- 3.8 Following this and subject to any issues raised, the Director of Corporate Services as the Council's responsible finance officer, will officially sign this letter to finalise this particular part of Audit work for the year.

## **4.0 Financial Implications**

- 4.1 None directly.

## **5.0 Corporate Implications**

- 5.1 None directly.

## **6.0 Community Implications**

- 6.1 None directly.

## **7.0 Background Papers**

None