

meeting	<b>AUDIT COMMITTEE</b>	
date	<b>12 SEPTEMBER 2011</b>	agenda item number

## **REPORT OF THE SERVICE DIRECTOR (FINANCE)**

### **EXTERNAL AUDIT – ANNUAL GOVERNANCE REPORTS**

#### **Purpose of the Report**

1. To receive for information, and comment upon, the External Auditor's Annual Governance Reports on the County Council and Pension Funds, prior to these being forwarded to Full Council for approval on 22<sup>nd</sup> September 2011.

#### **Information and Advice**

2. The External Auditors have now substantially completed their audit work on the Authority's financial statements for 2010/11 and propose to issue unqualified audit opinions on the County Council and Pension Funds' accounts, subject to satisfactory clearance of the remaining issues. In the course of their work the External Auditors have identified a number of matters, detailed in the attached reports, which they wish to bring to the Audit Committee and Full Council's attention. The District Auditor, Ian Sadd, and the Audit Manager, Mike Norman, will be in attendance at the meeting to present the report and to respond to Members' queries.
3. As part of the Audit of Financial Statements process, I am required to prepare a Letter of Representation to the District Auditor and my proposed Letter is attached for Members' agreement.

#### **Statutory and Policy Implications**

4. This report has been compiled after consideration of implications in respect of finance, equal opportunities, personnel, crime and disorder, human rights and those using the relevant service. Where such implications are material, they have been described in the text of the report.

## **Recommendations**

5. That Members of the Audit Committee note the External Auditor's Annual Governance Reports on the County Council and Pension Funds' accounts:
  - a) note the matters raised in the report before the financial statements are re-signed by the Section 151 Officer
  - b) note the unadjusted misstatements set out in Appendix 2 and the reasons for not correcting these as detailed in the misstatements as set out in the attached Letter of Representation
  - c) note the Letter of Representation attached to this report

**PAUL SIMPSON**  
**SERVICE DIRECTOR (FINANCE)**

### **Legal Services Comments**

The proposals in this report are within the remit of the Audit Committee (KK 30<sup>th</sup> August 2011).

### **Financial Comments of the Service Director (Finance)**

The financial implications are set out in the report and the attachments (JB 24<sup>th</sup> August 2011).

### **Background Papers Available for Inspection**

Nil.