

meeting	<b>AUDIT COMMITTEE</b>	
date	<b>28 SEPTEMBER 2010</b>	agenda item number

## REPORT OF THE SERVICE DIRECTOR (FINANCE)

### EXTERNAL AUDIT – ANNUAL GOVERNANCE REPORTS

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

1. To receive, and comment upon, the External Auditor's Annual Governance Reports on the County Council and Pension Funds.

#### **Information and Advice**

2. The External Auditors have now substantially completed their audit work on the Authority's financial statements for 2009/10 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, details in the attached reports, which they wish to bring to the Audit Committee'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 receive 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) agree the Letter of Representation attached to this report
  - d) agree the response to the proposed Action Plan which will be distributed at the Audit Committee meeting.

**ALAN SUMBY**  
**SERVICE DIRECTOR (FINANCE)**

## **Background Papers Available for Inspection**

Nil.