

By: John Simmonds, Cabinet Member for Finance & Business Support
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To: Governance and Audit Committee – 26 July 2012

Subject: **External Audit - Annual Governance Report 2011/12**

Classification: Unrestricted

Summary: This paper sets the context to the external Auditor's Annual Governance Report

FOR DECISION

Introduction and background

1. The Audit Commission, as External Auditor to the Council, is required to report to the Committee the findings from the audit of the 2011/12 financial statements. This includes the key messages arising from the audit of the Pension Fund accounts which form part of the Council's financial statements. The report also includes the results of the work undertaken to assess the Council's arrangements to secure value for money.

Process

2. The 2011/12 financial statements (except for the Annual Governance Statement) were provided to the Commission for audit on 11 June 2012. The audit of the financial statements started on the same date and despite the pressures on the audit team and officers to respond quickly to queries the work was substantially complete by 29 June 2012.
3. Members will have the opportunity to ask questions about the audit and report to help inform their decision before formally approving the 2011/12 financial statements.

Recommendations

4. Members of the Governance and Audit Committee are asked to:
 - take note of the adjustments to the financial statements included in this report (appendices 2 and 3);
 - approve the letter of representation (appendix 4), on behalf of the Authority before the Audit Commission issue their opinion and conclusion; and
 - agree the response to the proposed action plan (appendix 6).

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