

SPECIAL COUNCIL- WEDNESDAY, 19TH OCTOBER, 2011

SUPPLEMENTARY PAPERS

The following Papers were tabled at the meeting.

<u>AGENDA ITEM</u>	<u>REPORT TITLE</u>	<u>PAGE</u>	<u>WARD</u>
2.	External Auditors Annual Governance Report 2010/11 (tabled documents) <ul style="list-style-type: none">• Summary of movements between Financial Statements issued on 7 October 2011 and 19 Oct, 2011• Statement of responsibilities• External Auditors Annual Governance Report 2010/11 - Supplementary Information	1 - 6	All

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Summary of movements between Financial Statements issued on 7 Oct and version presented to Council on 19 Oct

Item of account	07/10/11	17/10/11	Comments
HRA			
Page 87: Movement on the Housing Revenue Account Statement (Surplus)/Deficit for year	100,009	101,009	Typo
Group Accounts CIES			
Pagee 100: 2009/10 Interest Payable	6410		6989 Finance lease interest payments had not been included as a result of IFRS restatement
Page 100: 2009/10 Demand on Collecton Fund	0		11 This was not included
Group Accounts Cash Flow			
Page 103: Net surplus/(deficit) on provision of services	45903		45694 Amended for group figures
Page 103: Adjustment to (surplus)/deficit for non cash movements and related note	274430		342369
Page 103: Net cash flows from investing activities and related note	10536		10331
Page 103: Net cash flows from financing activities and related note	5632		8637
Statement of Movement in Reserves			
Page 104: Balance as at 1 April 09 - total reserves	556,198		555,392 Not updated following revision
Page 105: Adjustments made between accounting basis and funding basis under regulations	45771		44631 Updated following audit - removal of People 1st balances as should be a transfer lower down in the statement
Page 105: Net increase/decrease before transfers to reserves	9544		10684
Page 105: Transfers to from reserves	8548		9688

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THE COUNCIL'S RESPONSIBILITIES

The Council is required:

- To make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. In this Council that officer was the Strategic Director of Resources. Throughout 2010/11 that officer was Julie Evans.
- To manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets.
- To approve the Statement of Accounts.

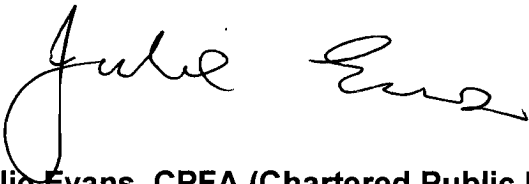
THE SECTION 151 OFFICER'S RESPONSIBILITIES

The Section 151 Officer is responsible for the preparation of the Council's Statement of Accounts in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Council Accounting in the United Kingdom (the Code).

I certify that in preparing this Statement of Accounts, I have:

- selected suitable accounting policies and then applied them consistently;
- made judgements and estimates that were reasonable and prudent;
- complied with the Code;
- kept proper accounting records which were up to date; and
- taken reasonable steps for the prevention and detection of fraud and other irregularities.

I certify that the Statement of Accounts set out on the following pages present a true and fair view of the financial position of the Council as at 31st March 2011 and its income and expenditure for the year ended 31st March 2011.



**Julie Evans, CPFA (Chartered Public Finance Accountant)
Strategic Director of Resources & Regeneration**

Date:

19 / 10 / 11

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COUNCIL – 19TH OCTOBER 2011

Agenda Item 2 – External Auditors Annual Governance Report 2010/11 - Supplementary Information

The Council is required to consider the Auditors section 11 recommendations, to decide whether the recommendations are to be accepted, and what if any action to take in response to the recommendations.

Recommendations:

The Council is requested to resolve

- 1) to accept the auditors recommendations R1 and R2 below
- 2) to complete the actions set out under A1 and A2 below

Audit Commission - Section 11 Exceptions

Section 11 Recommendation

R1 Overhaul your procurement arrangements to ensure that these reflect best procurement practice; ensure that your operational procedures are consistent with standing orders and financial regulations and ensure that revised procurement practice is complied with and operates effectively across the Council.

Council's Response A 1

The Council is undertaking a review of its procurement and financial procedures to ensure that they are clear, concise and consistent and that they enable efficient and effective procurement. Steps have been taken to reduce over-reliance on business exemptions procedures and to remind officers of the need for compliance with good practice in procurement. When revised practice and procedures have been produced they will be widely promoted and compliance secured. It is planned to invest in additional support to ensure compliance, recording, reporting and reviewing relating to procurement and contracts.

Cont'd

Section 11 Recommendation

R2 Ensure that the Council's finance function has the capacity, capability and necessary resilience to operate effectively with established quality assurance arrangements to meet the Council's statutory reporting obligations in the future.

Council's Response A2

The Council began to restructure the finance team with a formal consultation process in March 2011, the proposals were implemented from the 1 July 2011. The objective of the new structure is to create a cross cutting finance team which is able to provide timely and accurate data and information presented effectively to meet user needs. During the last few months we have significantly improved our ratio of qualified to non-qualified staff in the finance team. We have filled all substantive posts as at 1 October 2011 and are working with the newly formed transactional service to ensure that there are detailed service level agreements in place to provide close down support as required.

Increasing the number of qualified and appropriately skilled accountants provides improved resilience and technical capability. Further, we are now able to fully implement segregation of duties between the preparation and review of the statutory accounts and as a result ensure appropriate quality assurance is built into the closedown process.