

## **SLOUGH BOROUGH COUNCIL**

**REPORT TO:** Council **DATE:** 19<sup>th</sup> October 2011

**CONTACT OFFICER:** Julie Evans, Strategic Director of Resources & Regeneration  
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Ruth Bagley, Chief Executive  
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**WARDS:** All

### **PART I** **FOR DECISION**

## **EXTERNAL AUDITORS' ANNUAL GOVERNANCE REPORT 2010/11**

### **1 Purpose of Report**

- 1.1 This report entirely focuses on the closure of the accounts for the period 1<sup>st</sup> April 2010 to 31<sup>st</sup> March 2011. This comprises of the External Auditors', the Audit Commission's, findings from the audit of the financial statements for 2010/11 through the Annual Governance Report for the year ended 31<sup>st</sup> March 2011, together with officer comments for Members' consideration.

### **2 Recommendation(s)/Proposed Action**

- 2.1 That Council is requested to resolve:
- a) That the report and any amendments to the accounts be noted.
  - b) That the letter of representation be approved.
  - c) That the Statement of Accounts be approved and signed in line with good practice

### **3 Community Strategy Priorities**

- 3.1 This report has a direct impact on all the Community Strategy priorities, given the fact that the documentation principally reports on the authority's financial standing and statutory Statement of Accounts.

### **4 Other Implications**

- 4.1 The report does not have any human rights or other legal implications. The financial implications are set out in the report.

### **5 Supporting Information**

- 5.1 The Accounts and Audit Regulations 2011 removed the need for the Council's draft accounts to be approved by prior to audit. However, the requirement for certification by the Strategic Director of Resources and Regeneration prior to the end of June remains.
- 5.2 The Strategic Director of Resources and Regeneration certified the statement of the Council's accounts for the financial year ended 31st March 2011 on 17<sup>th</sup>

August 2011. The Council's appointed auditors, the Audit Commission, have carried out the audit of the accounts and have prepared a report for consideration by Council. The report is shown at Appendix 1

- 5.3 The Strategic Director of Resources & Regeneration certified the pre-audited Statutory Accounts outside of the statutory deadline on 17<sup>th</sup> August 2011. Failing to meet the statutory deadline was due to exceptional circumstances beyond the control of the Director of Resources during a year of significant change with the introduction of international reporting standards and consequent complex technical changes to the financial statements.
- 5.4 The Audit Commission's financial audit of the accounts ends on the 19<sup>th</sup> October when they will report their findings to the Council meeting. The Audit Commission is required to bring to the attention of those 'Charged with Governance' which in this case means the Members of the Council, any matters which require amendment to the Council's Statutory Statements.
- 5.5 The report from the Audit Commission sets out under standard headings their findings both in relation to the final accounts and their judgement of a Value for Money opinion. We expect unqualified opinions in both aspect of the report: the financial statements and the value for money opinion. Once Council approves the final accounts the report will be forwarded to the next meeting of the Audit Committee for information and consideration of any actions arising from the Auditors findings.
- 5.6 Officers have supplied a Letter of Representation responding to the auditors' issues and queries, attached as Appendix 3 to the Governance report.

## **6 Conclusion**

- 6.1 This statutory report assists Members and Officers alike in identifying areas requiring amendment and/or clarification in our statutory accounts and is accepted.
- 6.2 The authority always aims to secure an unqualified audit opinion on the Statement of Accounts and further seeks to continue to improve its approach to financial management, an issue of particular importance during the current climate. The headline detail of the areas reviewed by the external auditors in reaching their value for money conclusion are provided for members in appendix 4.

## **7 Appendices Attached**

Appendix 1: Audit Commission's Annual Governance Report 2010/11 (To follow)  
Appendix 2: Draft Audited Statement of Accounts 2010/11 (Includes Annual Governance Statement) – Should any further changes arise during the remaining days of the audit period a revised set of accounts together with detail of any amendments will be provided at the meeting.  
Appendix 3: Draft Letter of Representation  
Appendix 4: Value for Money findings (Audit Commission Summary)

## **8 Background papers**

None.