

BROMSGROVE DISTRICT COUNCIL

AUDIT BOARD

27th September 2010

AUDIT COMMISSION ANNUAL GOVERNANCE REPORT & REVISED STATEMENT OF ACCOUNTS 2009/10

Relevant Portfolio Holder	Councillor Geoff Denaro Cabinet Member for Finance
Relevant Head of Service	Jayne Pickering, Executive Director Finance and Corporate Resources
Key Decision / Non-Key Decision	

1. SUMMARY OF PROPOSALS

- 1.1 To enable Members to consider the Annual Governance Report for 2009/10 from the Audit Commission together with the revised Statement of Accounts to be approved following the Audit that has been undertaken.

2. RECOMMENDATIONS

- 2.1 **That Members note the recommendations included in the Annual Governance Statement 2009/10**
- 2.2 **That Members approve the revised Statement of Accounts 2009/10.**

3. BACKGROUND

- 3.1 Full Council approved the Statement of Accounts in June 2010 subject to External Audit Review and consideration.
- 3.2 Following the External Audit of the Accounts for 2009/10 a number of minor issues and amendments were raised by the Audit Commission. Officers have accepted these minor revisions and therefore require formal approval of the revised Statement of Accounts to include these amendments.
- 3.3 The nature of the amendments include various grammatical errors together with other minor revisions to include:
- Addition of a reconciliation to show prior year comparison
 - A change to wording of accounting policy for depreciation to show that assets have differing useful lives than original disclosure.
 - Change to fixed assets note for item disclosed as plant & equipment but actually intangible asset.
 - Minor amendment to cashflow statement. To move £10k between tow headings.

BROMSGROVE DISTRICT COUNCIL

AUDIT BOARD

27th September 2010

3.4 The revised Statement of Accounts is attached at Appendix 1 for members consideration.

4. KEY ISSUES

4.1 The Annual Governance Report 2009/10 from the Audit Commission is attached at Appendix 2. The report confirms the position that the accounts were free from material errors and recognised a good standard of working papers. The recommendations include:

- Journal processing – officers have agreed that internal journal transactions will be authorised by another member of the accounts team to ensure there are no issues with accounts being transferred incorrectly
- Approval of Statements – officers have agreed that the process for approval will be reviewed to ensure a smooth transition of approval in the formal member environment is undertaken and that any changes be made as part of the revised accounts rather than as part of the Council meeting.
- Document retention – officers have agreed that arrangements are made to ensure documents are retained to evidence accounting treatment.

4.2 Based on the work undertaken by the Commission their conclusion is that an unqualified opinion on the accounts will be issued together with an unqualified value for money conclusion.

5. FINANCIAL IMPLICATIONS

5.1 None other than those covered in this report.

6. LEGAL IMPLICATIONS

6.1 The Accounts and Audit Regulations 2003 require that the Council complies with statutory accounting legislation and changes.

7. POLICY IMPLICATIONS

7.1 None as a result of this report

8. COUNCIL OBJECTIVES

8.1 Compliance with the accounting standards supports the improvement objective across the Council.

BROMSGROVE DISTRICT COUNCIL

AUDIT BOARD

27th September 2010

9. RISK MANAGEMENT INCLUDING HEALTH & SAFETY CONSIDERATIONS

- 9.1 The Financial Services risk register includes the preparation of the accounts and the controls in place to ensure the accounts are treated in compliance with accounting standards.

10. CUSTOMER IMPLICATIONS

- 10.1 None as a direct result of this report.

11. EQUALITIES AND DIVERSITY IMPLICATIONS

- 11.1 None as a direct result of this report.

12. VALUE FOR MONEY IMPLICATIONS, PROCUREMENT AND ASSET MANAGEMENT

- 12.1 None as a direct result of this report.

13. CLIMATE CHANGE, CARBON IMPLICATIONS AND BIODIVERSITY

- 13.1 None as a direct result of this report.

14. HUMAN RESOURCES IMPLICATIONS

- 14.1 None as a direct result of this report

15. GOVERNANCE/PERFORMANCE MANAGEMENT IMPLICATIONS

- 15.1 The statement of accounts and the controls in place to ensure the accounts are accurate is key to the effective governance arrangements in place within the Council.

16. COMMUNITY SAFETY IMPLICATIONS INCLUDING SECTION 17 OF CRIME AND DISORDER ACT 1998

- 16.1 None as a direct result of this report.

17. HEALTH INEQUALITIES IMPLICATIONS

- 17.1 None as a direct result of this report.

18. LESSONS LEARNT

BROMSGROVE DISTRICT COUNCIL

AUDIT BOARD

27th September 2010

18.1 Officers continue to seek advice from best practice authorities and the Audit Commission recommendations to ensure the accounts are presented in compliant format for consideration.

19. COMMUNITY AND STAKEHOLDER ENGAGEMENT

19.1 None as a direct result of this report .

20. OTHERS CONSULTED ON THE REPORT

Portfolio Holder	Yes
Chief Executive	N/A
Executive Director (S151 Officer)	Yes
Executive Director – Leisure, Cultural, Environmental and Community Services	N/A
Executive Director – Planning & Regeneration, Regulatory and Housing Services	N/A
Director of Policy, Performance and Partnerships	N/A
Head of Service	N/A
Head of Resources	N/A
Head of Legal, Equalities & Democratic Services	N/A
Corporate Procurement Team	N/A

21. WARDS AFFECTED

All wards

22. APPENDICES

Appendix 1 – Statement of Accounts

Appendix 2 – Annual Governance Report (Audit Commission)

BROMSGROVE DISTRICT COUNCIL

AUDIT BOARD

27th September 2010

23. BACKGROUND PAPERS

Detailed final accounts working papers.

AUTHOR OF REPORT

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