

Audit Committee – 25<sup>th</sup> September 2008

## 6. Annual Governance Report

*Head of Service:* Donna Parham, Head of Finance  
*Lead Officer:* Donna Parham, Head of Finance  
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### Purpose of Report

This report introduces the Audit Commission's Annual Governance Report for 2007/08 (attached at pages 9 to 25 )

### Recommendations

That the Audit Committee:

1. Considers the matters raised in the report;
2. Approves that the Head of Finance signs the representation letter outlined in Appendix 1 on behalf of SSDC;
3. Notes the draft Auditor's report as outlined in Appendix 2.
4. Agrees the recommended action and notes it has been added to the Strategic Improvement Plan.

### Background

The Audit Commission as part of their work report on the overall financial statements and governance of South Somerset District Council. The review of these reports is included within the remit of the Audit Committee under its terms of reference as follows:

"To consider the reports of external audit and inspection agencies and seek assurance from management that action has been taken"

"To review and approve the annual Statement of Accounts, external auditor's opinion and reports to members and monitor management action in response to issues raised"

### The Report

The report summarises the findings from the 2007/08 work of the Audit Commission relating to governance. It covers the following areas:

#### The Statement of Accounts / The Annual Governance Statement

The Audit Commission report shows that all key issues and risks have been mitigated to their satisfaction. However, three voluntary redundancies were agreed before the end of the financial year that were due to take place in 2008/09. Although the financial risk to the Council was mitigated through having full funding available through a specific reserve set up for the purpose, the payments should have been accounted for within 2007/08. The error is classified as trivial and an action is recommended by the Audit Commission to ensure that it is not duplicated in future years and will be added to the Strategic Improvement Plan for 2008/09 accounts.

**Value for Money**

The Audit Commission are required to make a statement on whether the authority has made arrangements for securing economy, efficiency and effectiveness in its use of resources measured against 12 criteria. The Audit Commission has assessed arrangements at SSDC are adequate in all 12 areas and therefore have issued an unqualified opinion.

Terry Bowditch the Audit Manager and Brian Bethell the District Auditor from the Audit Commission will be attending the meeting.

**Financial Implications**

There are no financial implications.

**Background Papers:** None

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