

## 5. 2009/10 Annual Governance Report

*Strategic Director:* Mark Williams, Chief Executive  
*Assistant Director:* Donna Parham (Finance and Corporate Services)  
*Lead Officer:* Donna Parham, Assistant Director (Finance and Corporate Services)  
*Contact Details:* donna.parham@southsomerset.gov.uk or 01935 462225

### Purpose of the Report

This report introduces the Audit Commission's Annual Governance Report for 2009/10 (attached at pages 3-32).

### Recommendations

- (1) That the Audit Committee considers the matters raised in the report;
- (2) approve that the Assistant Director (Finance and Corporate Services) signs the representation letter outlined in Appendix 4 on behalf of SSDC;
- (3) note the draft Auditor's report as outlined in Appendix 1 and amendments made to the Statement of Accounts in Appendix 2;
- (4) note the draft Auditor's report as outlined in Appendix 3 and support management's decision not to adjust the financial statements;
- (5) note the Value for Money criteria has been met as outlined in Appendix 5;
- (6) agree the recommended actions in Appendix 6 and to note that they have 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 2009/10 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.

## AC

There are some errors which have been found in the statements most of which have been amended (See appendix 2)

However, one error has not been amended – this is where revaluation gains on land had been offset against revaluation losses on some specialised operational properties. This means that the Income and expenditure is understated by £390k and the gains on revaluation are understated by £540k.

### **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 the KLOE's (Key Lines of Enquiry) criteria. The Audit Commission has assessed arrangements at SSDC meet the criteria. The areas assessed are included at Appendix 5 of the Annual Governance Report.

Peter Lappin, the Audit Manager from the Audit Commission will be attending the meeting.

### **Financial Implications**

There are no financial implications associated with these recommendations.

**Background Papers:**      *2009/10 Annual Statement of Accounts – June 2010*

---