

Audit Committee 27 September 2012

5. 2011/12 Annual Governance Report

Strategic Director: Mark Williams, Chief Executive
Assistant Director: Donna Parham, Finance and Corporate Services
Lead Officer: Donna Parham, 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 2011/12.

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 3 on behalf of SSDC;
3. Note the draft Auditor's report as outlined in Appendix 1 and one uncorrected error within the Statement of Accounts in Appendix 2;
4. Note the Value for Money criteria has been met;
5. Agree the recommended actions in Appendix 5 and note that it has been actioned.

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 including the Annual Audit Letter 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 2011/12 work of the Audit Commission relating to governance. It covers the following areas:

The Statement of Accounts/Annual Governance Statement

The Audit Commission report gives an unqualified opinion on the financial statements for 2011/12. It also outlines that in all material respects the Council has complied with the requirements of IFRS (International Financial Reporting Standards), which were introduced for the 2010/11 accounts.

The report outlines one error in Appendix 2 that has not been corrected within the Statement of Accounts. This does not materially affect the statements and will be

corrected within this financial year.

The action plan outlines:

- That SSSC seeks assurances annually from the Yarrington Group for assurances on the capital receipts due to the authority;
- That SSSC review the method of calculating the impairment of debtors taking into account the age of the debt and recover rates;
- That SSSC revise the method of calculating the default percentage of customer debts.

We have agreed to complete all of the recommended actions.

Value for Money

The Audit Commission is required to make a statement on whether the authority has made arrangements for securing economy, efficiency and effectiveness in its use of resources. This is now measured by two criteria as follows:

- Financial resilience;
- Securing economy efficiency and effectiveness.

The Audit Commission has assessed arrangements at SSSC meet the criteria.

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.
