

AUDIT

STATEMENT OF ACCOUNTS 2005/06 20 SEPTEMBER 2006

Report of Head of Financial Services

PURPOSE OF REPORT

This report updates Members on the outcome of the audit of the draft Statement of Accounts for 2005/06, and the auditor's conclusion in respect of the Council's arrangements regarding the use of resources.

This report is public.

RECOMMENDATIONS

- (1) That Committee considers the attached annual governance report for 2005/06, and that the Chairman signs and dates the letter of representation as included at Appendix 6 accordingly.**

REPORT

- 1.1 At the last Committee meeting held on 28 June the draft Statement of Accounts for 2005/06 were presented for approval, together with information on the audit process; the District Auditor commenced the audit of accounts on Tuesday 04 July.
- 1.2 The audit is now substantially complete and an annual governance report is included at **Appendix A** for Members' consideration. The report is in accordance with new arrangements that have been introduced this year; more background information is included at **Appendix B**.
- 1.3 The District Auditor will be attending the meeting to present his report but in summary, the main conclusions are as follows:
 - It is anticipated that an unqualified opinion on the 2005/06 Accounts will be issued. Whilst a number of adjustments have been made to the accounts since they were presented to Committee in June, no material adjustments were required and there has been no impact on the Council's balances position. Only two recommendations are made, in connection with fixed asset valuations and building control surpluses.
 - An unqualified conclusion on value for money is also expected. In essence this means that the Auditor is satisfied that the Council has proper arrangements in place for securing economy, efficiency and effectiveness in its use of resources.

- 1.4 In view of the tighter statutory timetable for the production of the accounts, and the new requirements regarding use of resources' assessments, the Head of Financial Services feels that the outcome of the governance report represents a significant achievement, and this is also reflected in the report itself.
- 1.5 Another new requirement for 2005/06 relates to the signing of the letter of representation. Previously only the Head of Financial Services signed the letter, but now the Chairman's signature is also expected. This is on the basis that all those charged with governance should be aware of the representations on which the auditor relies, in expressing his opinion on the Accounts.
- 1.6 Once the governance report has been considered and the letter of representation signed, it is expected that the District Auditor will finalise his statements in order that the final audited Accounts can be published by the deadline of 30 September.

CONCLUSION OF IMPACT ASSESSMENT

(including Diversity, Human Rights, Community Safety, Sustainability and Rural Proofing)

No implications directly arising.

FINANCIAL IMPLICATIONS

There are no financial implications directly arising.

DEPUTY SECTION 151 OFFICER'S COMMENTS

This report was prepared by the s151 officer as part of her responsibilities.

LEGAL IMPLICATIONS

Legal Services have been consulted and have no comments to add.

MONITORING OFFICER'S COMMENTS

The Monitoring Officer has been consulted and has no comments to add.

BACKGROUND PAPERS

Accounting and Audit Regulations 2003.

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