

Annual Governance Report

July 2006



Annual governance report

Lancaster City Council

Audit 2005/06

External audit is an essential element in the process of accountability for public money and makes an important contribution to the stewardship of public resources and the corporate governance of public services.

Audit in the public sector is underpinned by three fundamental principles:

- auditors are appointed independently from the bodies being audited;
- the scope of auditors' work is extended to cover not only the audit of financial statements but also value for money and the conduct of public business; and
- auditors may report aspects of their work widely to the public and other key stakeholders.

The duties and powers of auditors appointed by the Audit Commission are set out in the Audit Commission Act 1998 and the Local Government Act 1999 and the Commission's statutory Code of Audit Practice. Under the Code of Audit Practice, appointed auditors are also required to comply with the current professional standards issued by the independent Auditing Practices Board.

Appointed auditors act quite separately from the Commission and in meeting their statutory responsibilities are required to exercise their professional judgement independently of both the Commission and the audited body.

Status of our reports to the Authority

The Statement of Responsibilities of Auditors and Audited Bodies issued by the Audit Commission explains the respective responsibilities of auditors and of the audited body. Reports prepared by appointed auditors are addressed to members or officers. They are prepared for the sole use of the audited body. Auditors accept no responsibility to:

- any member or officer in their individual capacity; or
- any third party.

Copies of this report

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Purpose of this report

- 1 We are required by the Audit Commission's statutory Code of Audit Practice for Local Government bodies (the Code) to issue a report to those charged with governance summarising the conclusions from our audit work. For the purposes of this report, the Authority's Audit Committee is considered to fulfil the role of those charged with governance and references to the Audit Committee should be read as such.
- 2 We are also required by professional auditing standards to report to the Audit Committee certain matters before we give our opinion on the financial statements. The section of this report covering the financial statements fulfils this requirement.
- 3 This is our annual governance report covering the audit of the Authority for the year ended 31 March 2006 and is presented by the District Auditor.
- 4 The principle purposes of the report are:
 - to reach a mutual understanding of the scope of the audit and the respective responsibilities of the auditor and the Audit Committee;
 - to share information to assist both the auditor and those charged with governance to fulfil their respective responsibilities; and
 - to provide the Audit Committee with recommendations for improvement arising from the audit process.
- 5 The Audit Commission has circulated to all audited bodies a Statement of Responsibilities of Auditors and Audited Bodies that summarises the key responsibilities of auditors. Our audit has been conducted in accordance with the principles set out in that statement.

Scope of the report

- 6 In undertaking our audit, we comply with the statutory requirements of the Audit Commission Act 1998 and the Code. Auditors' responsibilities are to review and report on, to the extent required by the relevant legislation and the requirements of the Code:
 - the Authority's financial statements; and
 - whether the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.
- 7 Our risk assessment and planned response to the key audit risks was summarised in our audit and inspection plan. A summary of our responsibilities and audit approach is included in Appendix 1. The annual governance report summarises the significant findings, conclusions and recommendations arising from our audit work. The results of our inspection work, and our separate grant claims' certification programme, will be reported in the Relationship Manager Letter later in the year.

- 8** We have issued separate reports during the year having completed specific aspects of our programme, which are listed in Appendix 2. Appendix 3 provides information about the fee charged for our audit and Appendix 4 sets out the requirements in respect of independence and objectivity.

Key messages

Financial statements

- 9 Our work on the financial statements is now substantially complete. We anticipate being able to issue an unqualified opinion by 22 September 2006 (a draft report is attached at Appendix 5).

Use of resources

- 10 Our work on the Authority's arrangements to secure economy, efficiency and effectiveness in its use of resources is now substantially complete. We anticipate being able to issue an unqualified conclusion on the use of resources by 22 September 2006 (a draft report is attached at Appendix 5).

Financial statements

- 11 We are required to give an opinion on whether the Authority's financial statements present fairly:
- the financial position of the Authority as at 31 March 2006 and its income and expenditure for the year then ended.

Status of the audit

- 12 Our work on the financial statements is now substantially complete.

Matters to be reported to the Audit Committee

- 13 We have the following matters to draw to the Audit Committee's attention.

Expected modifications to the auditor's report

- 14 On the basis of our audit work, we currently propose to issue an unqualified audit report. A draft audit report is attached at Appendix 5.

Uncorrected misstatements

- 15 There are no uncorrected misstatements.

Adjusted misstatements

- 16 To assist you in fulfilling your governance responsibilities, we are required to consider reporting adjusted misstatements to you where these are material. Whilst a number of adjustments have been made to the accounts, there were no material adjustments required. We therefore draw your attention to the list of the most significant misstatements that management has adjusted in Table 2 below. A complete listing of all amendments has been provided to officers.

Table 1 Adjusted misstatements in the financial statements

Details of significant adjustments made to the financial statements

Issue	Value of misstatement £	Impact on surplus/(deficit)
An asset was disposed of during 2005/06 and whilst the capital receipt has been accounted for correctly, the asset itself has not been written out of fixed asset values.	60,950	nil

Issue	Value of misstatement £	Impact on surplus/(deficit)
One asset within the ownership of the Council was not included within the fixed asset register and the fixed asset values within the balance sheet.	110,000	nil
A correction to an asset value was treated incorrectly as an impairment resulting in an incorrect value on the Fixed Asset Restatement Account and the Capital Financing Account within the balance sheet.	81,800	nil

Qualitative aspects of accounting practices and financial reporting

- 17 Our audit includes consideration of the qualitative aspects of the financial reporting process, including matters that have a significant impact on the relevance, reliability, comparability, understandability and materiality of the information provided by the financial statements. We wish to report the following matters to you.
- The tighter statutory timetable for the production of the accounts and the completion of their audit has presented a challenge for all concerned. It is therefore a significant achievement that no material errors have been identified whilst the quality of supporting working papers was also improved.
 - We have previously raised issues around the arrangements for ensuring that asset registers are complete and values up to date. This year a full reconciliation has been undertaken between the registers maintained for financial purposes and those used by property services, which whilst identifying some small differences between the two, has provided significant assurance over the material correctness of asset values including the completeness of the five yearly re-valuation programme.
 - Asset re-valuations however do not currently state the valuer's assessment of asset lives. This is non-compliant with the Statement of Recommended Practice on Local Authority Accounting in the United Kingdom 2005 (the SORP) and could lead to inappropriately calculated depreciation charges to services, (although there would be a net nil impact on the consolidated revenue account).

Recommendations

R1 Future fixed asset valuations should be required to include an assessment of asset lives as well as value.

Material weaknesses in internal control identified during the audit

- 18 Our audit did not identify any material weaknesses in the systems of accounting and financial controls which we should report to you.
- 19 We have not provided a comprehensive statement of all weaknesses which may exist in internal control or of all improvements which may be made, but have addressed only those matters which have come to our attention as a result of the audit procedures we have performed.

Matters specifically required by other auditing standards

- 20 Other auditing standards require us to communicate with you in other specific circumstances including:
- where we suspect or detect fraud;
 - where there is an inconsistency between the financial statements and other information in documents containing the financial statements; and
 - non-compliance with legislative or regulatory requirements and related authorities.

We wish to report the following matter to you:

- The Building Act 1984 and the Building (Local Authority Charges) Regulations 1998 (SI 1998/3129) require local authorities to set fees for building regulation work such that they will cover their costs and achieve a break even position over a three year period. The Council's accounts have shown a surplus on building control activities for some years now. At the end of 2005/06 the surplus stood at £149,746. A new partnership arrangement is being entered into to deliver building control work and this includes a plan to reduce the current surplus down to a more or less break even position by 2009/10. The Council is therefore working to address their need to comply with these regulations. However this will not meet the 3 year rule.

Recommendations

R2 The Council's legal team should consider the actions being taken effecting future building control surpluses and advise on whether any additional action is needed to reduce any risks around non-compliance with relevant legislative requirements.

Any other matters of governance interest

- 21 Finally, we are required to report any other matters that we believe to be of governance interest. We report these matters in Table 2 below.

Table 2 Other matters of governance interest

There are a number of other matters that we would like to bring to the attention of those charged with governance

Area	Auditor responsibility	Impact
Statement of internal control (SIC)	The auditor reviews the SIC for compliance with the requirements of proper practice as specified by CIPFA and consistency with other information from the audit of the financial statements.	Appropriate arrangements are in place to produce the SIC. The information in the SIC is consistent with our knowledge of the Council. The statement acknowledges that there are weaknesses in the system of internal controls and action is being taken to address these.
Whole of Government Accounts' consolidation pack	The auditor is responsible for issuing a report on the consistency of the Authority's consolidation pack with the statutory financial statements.	Work is ongoing to complete this review and will be reported to the Chief Financial Officer and Department for Communities and Local Government by 6th October 2006.

Letter of representation

- 22 We obtain written representations from management as an acknowledgement of its responsibility for the fair presentation of the financial statements and as audit evidence on matters material to the financial statements. The text of the required letter of representation is included at Appendix 6.

Next steps

- 23 We are drawing these matters to the Audit Committee's attention so that:
- you can consider them before the financial statements are approved and certified; and
 - the representation letter can be signed on behalf of the Authority and those charged with governance before we issue our opinion on the financial statements.

Use of resources

Value for money conclusion

- 24** The Code requires us to issue a conclusion on whether we are satisfied that the Authority has proper arrangements in place for securing economy, efficiency and effectiveness in its use of your resources (the value for money conclusion). In meeting this responsibility, we will review evidence that is relevant to the Authority's corporate performance management and financial management arrangements. Our work in reaching the value for money conclusion is integrated with our work on the use of resources assessment. The use of resources assessment is a qualitative assessment of the effectiveness of the Authority's arrangements to secure economy, efficiency and effectiveness in its use of resources. The five areas included in this assessment are; financial statements, financial management, financial standing, internal control and value for money.
- 25** In arriving at our conclusion we have considered the results of our work previously reported to the Council and have considered information gained through the ongoing audit process to understand the extent to which events may have changed. In addition we have reviewed the Council's arrangements to ensure the quality of its performance data using a new data quality tool introduced by the Audit Commission in 2006. Specific previous work considered as part of this assessment includes:-
- Use of Resources assessment 2005
 - Direction of Travel 2005 (reported in 2004/05 annual audit and inspection letter)
 - Performance Management 2004/2005
 - Access to Services Inspection 2004/05
 - Environment Inspection 2005/06
- 26** We have substantially completed our work in relation to the value for money conclusion and there are no matters which we wish to draw to the attention of the Audit Committee. Key areas for improvement have already been summarised in our most recent annual audit and inspection letter published in March 2006, and we are aware that these areas have been included within the Council's improvement and corporate plans. We anticipate being able to issue an unqualified conclusion on the use of resources by 22 September 2006 (a draft report is attached at Appendix 5).

Use of auditors' statutory powers

- 27 Auditors are required to consider the exercise of certain statutory powers during the course of the audit, as summarised in Table 5 below.

Table 3 Use of statutory powers

Insert text

Issue	Auditor responsibility	Impact
Section 8 reports	Section 8 of the Act requires that auditors should consider whether, in the public interest, they should report on any matter that comes to their attention in the course of the audit so that it may be considered by the body concerned or brought to the attention of the public.	There have been no section 8 reports in respect of the financial year 2005/2006.
Section 11 recommendations	To consider whether a written recommendation should be made to the audited body requiring it to be considered and responded to publicly.	There have been no s11 recommendations.
Best value	To consider whether to recommend that the Audit Commission should carry out a best value inspection of the Authority under section 10 of the Local Government Act 1999 and/or that the Secretary of State should give a direction under section 15 of that Act.	Our work in respect of the Authority's 2005/2006 Best Value Performance Plan (BVPP) was reported in the 2005 annual audit and inspection letter. No recommendations were made to the Audit Commission or the Secretary of State.

Closing remarks

- 28 This report has been discussed and agreed with the Council's Corporate Director (Finance and Performance) and Head of Financial Services. A copy of the memorandum will be presented at the Audit Committee on 20th September 2006.
- 29 The report makes two recommendations. An action plan is included at Appendix 7. Management will provide responses in due course and report back to the Audit Committee the agreed actions together with indicative target dates for the implementation of recommendations.
- 30 The Authority has taken a positive and constructive approach to our audit and I would like to take this opportunity to express my appreciation for the Authority's assistance and co-operation.

Michael Thomas
District Auditor

September 2006

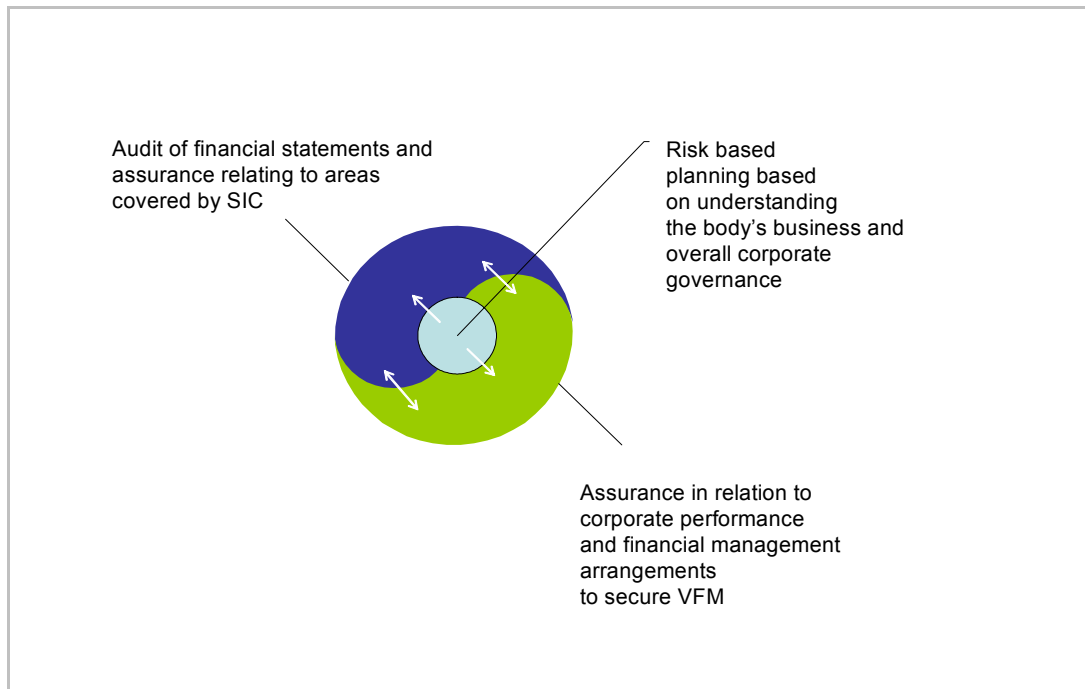
Appendix 1 – Audit responsibilities and approach

Audit objectives

- 1 Our objective as your appointed auditor is to plan and carry out an audit that meets the requirements of the Code of Audit Practice. We adopt a risk-based approach to planning our audit, and our audit work has focused on the significant risks that are relevant to our audit responsibilities.

Figure 1 Code of Audit Practice

Code of practice responsibilities



Approach to the audit of the financial statements

- 2** In our approach to auditing the financial statements, we adopt a concept of materiality. Material errors are those which might be misleading to a reader of the financial statements. We seek, in planning and conducting our audit of the accounts, to provide reasonable assurance that your financial statements are free of material misstatement. In planning our work we considered the arrangements of the Authority which had most impact on our opinion. These included:
 - the standard of the overall control environment and internal controls;
 - reliance on internal audit;
 - the likelihood of material misstatement occurring from material information systems; or a material error failing to be detected by internal controls;
 - any changes in financial reporting requirements; and
 - the effectiveness of procedures for producing the financial statements and supporting material.
- 3** The results of the above feed into our risk assessment which determines the level and type of testing undertaken on each element of the financial statements. The keys risks that we identified include:
 - pension liabilities and assets accounting; and
 - capital accounting.

Approach to audit of arrangements to secure value for money

- 4** The scope of these arrangements is defined in paragraph 20 of the Code as comprising:
 - corporate performance management; and
 - financial management arrangements.
- 5** Our conclusion is informed and limited by reference to relevant criteria covering specific aspects of audited bodies' arrangements, specified by the Code.

- 6 In planning audit work in relation to the arrangements for securing economy, efficiency and effectiveness in the use of resources, considered and assessed relevant significant business risk. Significance is defined by the Code as 'a matter of professional judgment and includes both quantitative and qualitative aspects of the risk'.
- 7 The potential sources of assurance when reaching the value for money conclusion include:
 - the Authority's whole system of internal control as reported in its statement on internal control;
 - results from statutory inspections or the work of other regulators, for example, corporate assessments, service assessments (whether by the Commission or other regulators), etc.;
 - work specified by the Audit Commission, for example, the use of resources assessments, and data quality work;
 - links to the financial statements' audit, including review of internal audit, the SIC and budgetary control arrangements; and
 - other work necessary to discharge our responsibilities.

Appendix 2 – Audit reports issued

Table 4

Planned output	Planned date of issue	Actual date of issue	Addressee
Audit and inspection plan	April 2005	April 2005	Audit Committee
Annual governance report	September 2006	September 2006	Audit Committee
Opinion on financial statements	September 2006	September 2006	The Authority
Value for money conclusion	September 2006	September 2006	The Authority
Final accounts memorandum	October 2006		Management
Use of resources assessments	October 2005	March 2006*	Audit Committee
BVPP report	October 2005	December 2005	The Authority
Performance indicators		February 2006	Management
Performance Management Follow up	July 2006	Work now delayed to tie in with direction of travel and to be reported as part of this work.	Audit Committee

** A change in the national timetable resulted in a different timescale for the use of resources assessment than originally planned.*

Appendix 3 – Fee information

Table 5

Fee estimate	Plan 2005/06	Actual 2005/06
Audit	£	£
Accounts*	31,990	37,490
Use of resources	67,420	67,420
Total audit fees**	99,410	104,910
Voluntary improvement work*	0	0

* An increase of £5,500 on the audit fee was requested and agreed with officers to cover work required new International Standards in Auditing (UK and Ireland) which came into effect in 2005/06. Auditors have a responsibility under the Code of Audit Practice to carry out an opinion audit and in doing this, compliance with International Standards on Auditing (UK & Ireland) is both a professional obligation and, under the Code, a statutory responsibility. However, the extra work required by the ISAs (UK & I) was originally unclear and could not be reflected in the fee scales agreed by the Audit Commission for 2005/06 in March 2005.

** The outturn on inspection and grant certification fees will be reported in the Relationship Manager Letter

Appendix 4 – The Audit Commission’s requirements in respect of independence and objectivity

- 1** We are required by the standard to communicate following matters to the Audit Committee:
 - the principal threats, if any to objectivity and independence identified by the auditor, including consideration of all relationships between the Authority, directors and the auditor;
 - any safeguards adopted and the reasons why they are considered to be effective;
 - any independent partner review;
 - the overall assessment of threats and safeguards; and
 - information about the general policies and processes for maintaining objectivity and independence.
- 2** We are not aware of any relationships that may affect the independence and objectivity of the team, and which are required to be disclosed under auditing and ethical standards.

Appendix 5 – Independent auditor’s report to Lancaster City Council

Opinion on the financial statements

- 3 We have audited the financial statements of Lancaster City Council for the year ended 31/3/2006 under the Audit Commission Act 1998, which comprise the Consolidated Revenue Account, the Housing Revenue Account, the Collection Fund, the Consolidated Balance Sheet, the Statement of Total Movements in Reserves, and the Cash Flow Statements and the related notes. These financial statements have been prepared under the accounting policies set out within them.
- 4 This report is made solely to Lancaster City Council in accordance with Part II of the Audit Commission Act 1998 and for no other purpose, as set out in paragraph 36 of the Statement of Responsibilities of Auditors and of Audited Bodies prepared by the Audit Commission.

Respective responsibilities of the Chief Finance Officer and auditors

- 5 The Chief Finance Officer’s responsibilities for preparing the financial statements in accordance with applicable laws and regulations and the Statement of Recommended Practice on Local Authority Accounting in the United Kingdom 2006 are set out in the Statement of Responsibilities.
- 6 Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).
- 7 I report to you my opinion as to whether the financial statements presents fairly the financial position of the Authority in accordance with applicable laws and regulations and the Statement of Recommended Practice on Local Authority Accounting in the United Kingdom 2005.
- 8 We review whether the statement on internal control reflects compliance with CIPFA’s guidance. We report if it does not comply with proper practices specified by CIPFA or if the statement is misleading or inconsistent with other information we are aware of from our audit of the financial statements. We are not required to consider, nor have we considered, whether the statement on internal control covers all risks and controls. We are also not required to form an opinion on the effectiveness of the Authority’s corporate governance procedures or its risk and control procedures.

- 9 We read other information published with the financial statements, and consider whether it is consistent with the audited financial statements. This other information comprises only the Explanatory Foreword. I consider the implications for my report if I become aware of any apparent misstatements or material inconsistencies with the financial statements. My responsibilities do not extend to any other information.

Basis of audit opinion

- 10 We conducted our audit in accordance with the Audit Commission Act 1998, the Code of Audit Practice issued by the Audit Commission and International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the Authority in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Authority’s circumstances, consistently applied and adequately disclosed.
- 11 We planned and performed our audit so as to obtain all the information and explanations which I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming my opinion I also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

- 12 In my opinion the financial statements present fairly, in accordance with applicable laws and regulations and the Statement of Recommended Practice on Local Authority Accounting in the United Kingdom 2005, the financial position of the Authority as at 31/3/2006 and its income and expenditure for the year then ended.

Auditor: Michael Thomas

Address: Audit Commission, Aspinall House, Middlebrook, Aspinall Close, BL6 6QQ

Date: September 2006

Conclusion on arrangements for securing economy, efficiency and effectiveness in the use of resources

Authority’s Responsibilities

- 13 The authority is responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources, to ensure proper stewardship and governance, and to regularly review the adequacy and effectiveness of these arrangements.
- 14 Under the Local Government Act 1999, the authority is required to prepare and publish a best value performance plan summarising the authority’s assessment of its performance and position in relation to its statutory duty to make arrangements to ensure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

Auditor’s Responsibilities

- 15 We are required by the Audit Commission Act 1998 to be satisfied that proper arrangements have been made by the authority for securing economy, efficiency and effectiveness in its use of resources. The Code of Audit Practice issued by the Audit Commission requires me to report to you my conclusion in relation to proper arrangements, having regard to relevant criteria specified by the Audit Commission for (principal local authorities/other local government bodies). I report if significant matters have come to my attention which prevent me from concluding that the authority has made such proper arrangements. I am not required to consider, nor have I considered, whether all aspects of the authority’s arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.
- 16 We are required by section 7 of the Local Government Act 1999 to carry out an audit of the authority’s best value performance plan and issue a report:
 - certifying that we have done so;
 - stating whether we believe that the plan has been prepared and published in accordance with statutory requirements set out in section 6 of the Local Government Act 1999 and statutory guidance; and
 - where relevant, making any recommendations under section 7 of the Local Government Act 1999.

Conclusion

- 17** We have undertaken our audit in accordance with the Code of Audit Practice and I am satisfied that, having regard to the criteria for principal local authorities specified by the Audit Commission and published in July 2005, in all significant respects, Lancaster City Council made proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ending 31 March 2006.

Best Value Performance Plan

- 18** I issued my statutory report on the audit of the authority’s best value performance plan for the financial year 2005/06 on 9th December 2006. I did not identify any matters to be reported to the authority and did not make any recommendations on procedures in relation to the plan.

Certificate

- 19** I certify that we have completed the audit of the accounts in accordance with the requirements of the Audit Commission Act 1998 and the Code of Audit Practice issued by the Audit Commission.

Auditor: Michael Thomas

Address: Audit Commission, Aspinall House, Middlebrook, Aspinall Close, BL6 6QQ

Date: September 2006

Appendix 6 – Letter of representation

Michael Thomas
District Auditor
3rd Floor
Sumner House
St Thomas' Road
Chorley
PR7 1HP

20 September 2006

Lancaster City Council - Audit for the year ended 31 March 2006

I confirm to the best of my knowledge and belief, having made appropriate enquiries of other officers and members of Lancaster City Council, the following representations given to you in connection with your audit of the Council's financial statements for the year ended 31 March 2006.

I acknowledge my responsibility under the relevant statutory authorities for preparing financial statements that give a true and fair view and for making accurate representations to you. I confirm that the Council has no plans or intentions that may materially alter the carrying value or classification of assets and liabilities reflected in the financial statements.

Supporting records

All the accounting records have been made available to you for the purpose of your audit and all the transactions undertaken by the Council have been properly reflected and recorded in the accounting records. All other records and related information, including minutes of all relevant Member meetings, have been made available to you.

Related party transactions

I confirm the completeness of the information provided regarding the identification of related parties. The identity of, and balances and transactions with, related parties have been properly recorded and where appropriate, adequately disclosed in the financial statements

Contingent liabilities

There are no other contingent liabilities, other than those that have been properly recorded and disclosed in the financial statements. In particular:

- there is no significant pending or threatened litigation;
- there are no material commitments or contractual issues, other than those already disclosed in the financial statements;
- no financial guarantees have been given to third parties.

Law, regulations and codes of practice

There are no instances of non-compliance with laws, regulations and codes of practice, likely to have a significant effect on the finances or operations of the Council.

Irregularities

I acknowledge my responsibility for the design and implementation of internal control systems to prevent and detect error.

There have been no:

- irregularities involving management or employees who have significant roles in the system of internal accounting control;
- irregularities involving other employees that could have a material effect on the financial statements;
- communications from regulatory agencies concerning non-compliance with, or deficiencies on, financial reporting practices which could have a material effect on the financial statements.

Post balance sheet events

Since the date of approval of the financial statements by the Audit Committee, no additional significant post balance sheet events that have occurred which would require additional adjustment or disclosure in the financial statements.

Signed on behalf of Lancaster City Council:

Signature

Signature

Name

Name

Position

Position

Date

Date

Appendix 7 – Action Plan

Page no.	Recommendation	Priority 1 = Low 2 = Med 3 = High	Responsibility	Agreed	Comments	Date
8	R1 Future fixed asset valuations should be required to include an assessment of asset lives as well as value.	3				
9	R2 The Council's legal team should consider the actions being taken effecting future building control surpluses and advise on whether any additional action is needed to reduce any risks around non-compliance with relevant legislative requirements.	3				