

REPORT TO: Business Efficiency Board
DATE: 29 September 2010
REPORTING OFFICER: Operational Director – Finance
SUBJECT: Annual Governance Report 2009/10
WARDS: Borough-wide

1.0 PURPOSE OF THE REPORT

1.1 To consider the report of the Audit Commission on the 2009/10 financial statements (The Annual Governance Report).

2.0 RECOMMENDED: That;

- (i) The Audit Commission's Annual Governance Report 2009/10 in Appendix 1 be received;**
- (ii) The Letter of Representation in Appendix 2 be approved;**

3.0 SUPPORTING INFORMATION

Annual Governance Report 2009/10

3.1 At the Board's meeting on 30th June 2010 Members approved the Council's draft Statement of Accounts (The Abstract) for 2009/10. Since that meeting the Audit Commission have undertaken their audit of the Council's financial statements. The District Auditor will attend the meeting to present the report of their findings, the Annual Governance report, which includes their work in respect of the Council's arrangements for securing value for money, as shown in Appendix 1.

2009/10 Letter of Representation

3.2 Each year the Council is required to provide the Audit Commission with a Letter of Representation relating to the financial statements, as shown in Appendix 2.

Next Steps

3.3 Following the meeting, the Letter of Representation will be signed and the Audit Commission will provide their audit opinion. The Abstract of Accounts will then be published, with copies being made available to the public via Halton Direct Link, Libraries and other public locations, as well as via the Council's website.

4.0 POLICY & OTHER IMPLICATIONS

4.1 There are no implications arising directly from this report.

5.0 IMPLICATIONS FOR THE COUNCIL'S PRIORITIES

5.1 There are no direct implications, however, the Council's financial resources support the delivery and achievement of all the Council's priorities.

6.0 RISK ANALYSIS

6.1 The Council must have internal controls and processes in place to ensure that spending remains in line with budget.

7.0 EQUALITY AND DIVERSITY ISSUES

7.1 There are no equality or diversity issues associated with this report.

8.0 LIST OF BACKGROUND PAPERS UNDER SECTION 100D OF THE LOCAL GOVERNMENT ACT 1972

Document	Place of Inspection	Contact Officer
Accounts and Audit Regulations 2009	Financial Management Division, Kingsway House, Widnes	Ed Dawson, Divisional Manager Financial Management
Code of Practice on Local Authority Accounting in the UK 2009 (a Statement of Recommended Practice)		

Michael Thomas
The Audit Commission
The Heath Business and Technical Park
Runcorn
Cheshire
WA7 4QF

Dear Mike

Halton Borough Council – audit for the year ended 31 March 2010

I confirm to the best of my knowledge and belief, having made appropriate enquiries of other Directors and Officers of Halton Borough Council, the following representations given to you in connection with your audit of the Council's financial statements for the year ended 31 March 2010. All representations cover the Council's accounts and Group Accounts included within the financial statements.

Compliance with the statutory authorities

I acknowledge my responsibility under the relevant statutory authorities for preparing the financial statements in accordance with the Code of Practice for Local Authority Accounting in the United Kingdom: A Statement of Recommended Practice which give a true and fair view of the financial position and financial performance of the Council and for making accurate representations to you.

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 Council, Executive Board and Committee meetings, have been made available to you.

Irregularities

I acknowledge my responsibility for the design and implementation of internal control systems to prevent and detect fraud or 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; or
- communications from regulatory agencies concerning non-compliance with, or deficiencies on, financial reporting practices which could have a material effect on the financial statements.

I also confirm that I have disclosed:

- my knowledge of fraud, or suspected fraud, involving either management, employees who have significant roles in internal control or others where fraud could have a material effect on the financial statements; and
- my knowledge of any allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, analysts, regulators or others.

Law, regulations, contractual arrangements 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.

The Council has complied with all aspects of contractual arrangements that could have a material effect on the financial statements in the event of non-compliance. There has been no non-compliance with requirements of regulatory authorities that could have a material effect on the financial statements in the event of non-compliance.

Fair values

I confirm the reasonableness of the significant assumptions within the financial statements. In respect of Note 29 I confirm:

- the appropriateness of the measurement method;
- the basis used by management to overcome the presumption under the financial reporting framework;
- the completeness and appropriateness under the financial reporting framework; and
- that subsequent events do not require adjustment to the fair value measurement.

Assets

The following have been properly recorded and, where appropriate, adequately disclosed in the financial statements:

- losses arising from sale & purchase commitments;
- agreements & options to buy back assets previously sold; and
- assets pledged as collateral.

Compensating arrangements

There are no formal or informal compensating balancing arrangements with any of our cash and investment accounts. Except as disclosed in Note 25 to the financial statements we have no other lines of credit arrangements.

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

Related party transactions

I confirm the completeness of the information disclosed 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

Post balance sheet events

Since the date of approval of the financial statements by the Business Efficiency Board on 30th June 2010, two non adjusting post balance sheet events have been identified and these are disclosed at Note 24 in the financial statements.

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.

Signed on behalf of Halton Borough Council

I confirm that this letter has been discussed by the Business Efficiency Board on 29th September 2010.

Signed

Name Councillor D. Leadbetter
Position Chairman of the Business Efficiency Board
Date 29th September 2010

Signed

Name Bill Dodd
Position Operational Director, Finance
Date 29th September 2010