
EXTERNAL AUDIT OF FINANCIAL STATEMENTS 2009/10

1 SUMMARY

- 1.1 The purpose of this report is to invite Members to give consideration to the external auditors' report, in the attached appendix, on the results of their audit of the Council's financial statements for 2009/10.

2 INTRODUCTION

- 2.1 The draft financial statements for 2009/10 were approved by Council on 29 June 2010 for submission to the external auditors, PKF. Arising from the external audit, there have been a number of changes to the financial statements that have been presented to this Committee as a separate item for re-approval. The changes to the financial statements are detailed in the attached PKF report.
- 2.2 In order for the external auditors to certify the 2009/10 financial statements in accordance with statutory timescales, it is necessary for Members to give consideration to the 'Report to those charged with Governance', which is prepared by PKF who will attend this meeting to present their findings.

3 AUDIT FEES

- 3.1 At the meeting of this Committee on 15 June 2010, Members requested further comparisons be made of this Authority's external audit fees compared to other Authorities, based on gross rather than net figures, as the fees are partly linked to gross expenditure, and reported back to this meeting. Unfortunately, because of other time pressures particularly around final accounts and budget preparation, this work has not been completed.
- 3.2 The Essex Finance Officers' Association agreed at the beginning of this month to do a benchmarking exercise looking at audit fees and the results of this will be reported into this Committee when they are available.

4 2010/11 ACCOUNTS

- 4.1 The report highlights some areas for improvements around the preparation and presentation of the Council's financial statements and progress on these will be reported to this Committee.

5 REPRESENTATION OF THE COUNCIL

- 5.1 The Chairman of the Audit Committee has to sign an annual Statement on behalf of the Council, which is reproduced below.

Representations of the Council

We confirm to the best of our knowledge and belief, and having made appropriate enquiries of other officers and Members of the Council, the following representations given to you in connection with your audit of the Council's financial statements.

Responsibility for the Financial Statements

We acknowledge our responsibilities to make arrangements for the proper administration of the Council's financial affairs and to approve the financial statements.

Uncorrected Misstatements

We have considered the uncorrected misstatements in the financial statements as listed in appendix 1 to this letter, together with the explanations provided by the Head of Finance for not correcting these misstatements, and we consider them to be immaterial to the view given by the financial statements.

Annual Governance Statement

We confirm that the Council has conducted a review during the year of the effectiveness of its system of internal control. We are satisfied that the Annual Governance Statement appropriately reflects the circumstances of the Council and includes an outline of the actions taken, or proposed, to deal with significant internal control issues.

6 RECOMMENDATION6.1 It is proposed that the Committee **RESOLVES**

- (1) That the report is noted and that implementation of any action plans be reported through the audit process.
- (2) That the Chairman of the Audit Committee can sign the Statement, as outlined in this report.

Yvonne Woodward

Head of Finance

Background Papers:-

None.

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If you would like this report in large print, braille or another language please contact 01702 546366.

