

	<p style="text-align: center;">Audit Committee 24th September 2008</p> <p style="text-align: center;">Report from the Director of Finance and Corporate Resources</p>
For Action	Wards Affected: ALL
<p>Statement of Accounts 2007/08 International Standard on Auditing (ISA)260</p>	

1.0 Summary

- 1.1 Under the Council's Constitution, the General Purposes Committee has responsibility for approving the accounts, which they did on 26th June 2008. They have been recommended to re-approve the accounts on 18th September 2008. This is explained further in the detail of this report. The Audit Committee, however, has responsibility for reviewing the annual statement of accounts to ensure that appropriate accounting policies have been followed and, where required, that concerns arising from the financial statements or from the audit are brought to the attention of the Council.
- 1.2 The basis for this consideration is the ISA 260 report which the Council's external auditors, the Audit Commission, produce following completion of the audit of accounts. The ISA 260 report is intended to identify any unadjusted mis-statements or material weaknesses in controls identified during the audit work. The Audit Commission are in the process of completing their audit of the 2007/08 accounts and will then issue their ISA 260 report for this Committee to consider. The ISA 260 report itself together with the representation letter from the Director of Finance and Corporate Resources to the Audit Commission will be circulated to members prior to the Committee meeting.

2.0 Recommendations

Members are asked to:

- 2.1 Note the ISA260 report from the Audit Commission and the representation letter from the Director of Finance and Corporate Resources to the Audit Commission (both to be circulated);

2.2 Consider the accounting policies that have been followed and decide whether any issues arising from the financial statements and the audit need to be brought to the attention of Full Council.

3.0 Detail

3.1 From the 2002/03 financial year onwards auditors were required to produce a Statement of Auditing Standard (SAS)610 report. The purpose of this report was to notify Members of any unadjusted mis-statements or material weaknesses in controls identified during their audit work. This requirement was partly prompted by the strengthening of accounting and audit standards after the “Enron Affair”. The aim was to ensure transparency of process to those with a responsibility for the accounts. From the 2005/06 accounts, the earlier requirement was replaced with a new requirement for the external auditors to produce a report in accordance with ISA 260 which is in line with international auditing standards. The purpose is the same as under the previous requirement to produce a SAS 610 report.

3.2 This is the second year that the Audit Committee has been responsible for examining the external auditors’ report on issues arising from the audit of the accounts. Prior to 2006/07 this report was received by General Purposes Committee. Audit Committee can review the accounts to consider whether appropriate accounting policies have been followed and whether there are concerns arising from the financial statements or from the audit that need to be brought to the attention of the Council.

3.3 Members should note that each year there is a statutory 20 day period for public inspection of the accounts. The public can inspect and make copies of the accounts and all books, deeds, contracts, bills, vouchers and receipts related to them. This excludes personal information such as staff salaries. The 20 days for public inspection of the 2007/08 accounts were from 30th July to 27th August 2008 inclusive. No members of the public asked to inspect the 2007/08 accounts during the statutory period.

3.4 The audit of accounts by the Audit Commission is now virtually complete and the ISA 260 report will be ready to circulate shortly. In addition, each year the Director of Finance and Corporate Resources sends a representation letter to the external auditors about the annual accounts, which will be available for circulation at the same time as the ISA 260 report.

3.5 General Purposes Committee approved Brent’s 2007/08 accounts on 26th June 2008. As in previous years, the Pension Fund accounts were not sent to General Purposes Committee because the fund is a separate legal entity for which the Council is the administering body. This treatment has been challenged by our auditors. As a result, the 2007/08 accounts, including the Pension Fund accounts, are being submitted to General Purposes Committee on 18th September for re-approval. These accounts are attached as an appendix to this report.

4.0 Financial Implications

4.1 There have been some adjustments to the Statement of Accounts during the course of the audit but for the most part these are changes to balance sheet items and notes to the accounts which have only a minor impact on the Council's overall financial position. The Audit Commission will send the Council their audit opinion after the conclusion of this committee.

5.0 Legal Implications

5.1 No specific implications.

6.0 Diversity Implications

6.1 The proposals in this report have been subject to screening and officers believe that there are no diversity implications arising from it.

7.0 Staffing Implications

7.1 None Specific

8.0 Background Information

8.1 Draft 2007/08 Statement of Accounts, General Purposes Committee, 26th June 2008 and 18th September 2008.

9.0 Contact Officer

Any person wishing to inspect these documents should contact Max Gray, Finance and Corporate Resources, Room 107, Brent Town Hall, Forty Lane, Wembley, Middlesex HA9 9HD. Tel. 020 8937 1464.

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