

	<p style="text-align: center;">General Purposes Committee Wednesday 27th September 2006</p> <p style="text-align: center;">Report from the Director of Finance and Corporate Resources</p>
For/Information	Wards Affected: ALL
STATEMENT OF ACCOUNTS 2005/06 INTERNATIONAL STANDARD ON AUDITING (ISA)260	

Forward Plan Ref:

1.0 SUMMARY

- 1.1 This report contains the International Standard on Auditing (ISA)260 report from the Council's external auditors PricewaterhouseCoopers (PwC) in respect of the Council's 2005/06 Statement of Accounts.

2.0 RECOMMENDATIONS

- 2.1 Members note the ISA260 report from PwC and the representation letter from the Director of Finance and Corporate Resources to PwC.

3.0 DETAIL

- 3.1 This General Purposes Committee received the unaudited 2005/06 Statement of Accounts on 29th June 2006.
- 3.2 The audit of accounts by PwC is now virtually complete. From the 2002/03 financial year onwards PwC 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 new requirement was partly prompted by the strengthening of accounting and audit standards after the "Enron Affair". The aim is to ensure transparency of process to those with a responsibility for the accounts. For the 2005/06 accounts the report from PwC is now produced in accordance with ISA260 which is in line with international auditing standards.

3.3 The PwC report is attached, as Appendix 1. It identifies no significant issues under each section.

3.4 Each year the Director of Finance and Corporate Resources sends a representation letter to PwC about the annual accounts. This year the representation letter is attached as Appendix 2 for Members' information.

4.0 FINANCIAL IMPLICATIONS

4.1 There are some adjustments to the Statement of Accounts but for the most part these are changes to balance sheet items and notes to the accounts which have no direct impact on the Council's overall financial position. As the changes to the accounts are mainly reclassifications and the level of balances is unchanged from the accounts submitted to this committee in June, it is not required for the audited accounts to be resubmitted for Members' information as in previous years. The changes to the accounts are listed on pages 6 – 7 of the attached report from PwC. PwC will send us their audit opinion after the conclusion of this committee. Audited accounts will then be printed and copies sent to members 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 No specific implications.

8. BACKGROUND INFORMATION

8.1 Draft 2005/06 Statement of Accounts, General Purposes Committee, 29th June 2006.

9. 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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