

	<p style="text-align: center;">Audit Committee 27 August 2012</p> <p style="text-align: center;">Report from the Director of Finance and Corporate Services</p>
<p style="text-align: right;">Wards Affected: ALL</p>	
<p>Annual Governance Report – progress report on action plan</p>	

1.0 Summary

- 1.1 This report sets out progress against the recommendations in the Annual Governance Report.

2.0 Recommendations

The Committee is asked to:

- 2.1 Consider the progress report in relation to the action plan.

3.0 Detail

- 3.1 At the Committee's meeting on 22 February 2012 it received a report on progress against the Annual Governance Report from the Audit Commission regarding the 2010/11 accounts.
- 3.2 Given the importance of the activity being undertaken between the February and June meetings the Committee requested that an interim update on progress be circulated its members. The update provided on 27 April 2012 is set out below.

General

The overall approach to managing the process continues as reported to the Committee in February. Weekly status review meetings are being held, including attendance by officers from the Audit Commission. The overall project is still on track for completion within the timescale.

Specific Issues from Annual Governance Report

I set out below an update on the areas that proved problematic and time consuming in last year's audit:

1. Bank Reconciliation – the reconciliations for the three main accounts as at 31 March 2012 have been completed. They have been reviewed and tested by the auditors and no issues have been raised.
2. Migrated debtors/creditors – these have been cleared and the work shared with the auditors. Audit testing is complete but subject to review by audit managers. There are no outstanding issues.
3. Internal income and expenditure – this work is still ongoing as part of the closing of accounts but the position as at February 2012 has been reviewed by the auditors. The auditors will carry out further work once the final position has been produced.
4. Movement in Reserves Statement (MiRS) – the Council's proposed approach has been reviewed by the auditors who are happy with the approach being taken. The final MiRS statement will be prepared as part of the production of the financial statements. Audit will then review the transactions and movement in the MiRS.

Summary

The information above is based on the work undertaken to date and incorporates the findings of the Audit Commission's interim audit review work. Progress to date has been encouraging in that the key problems we had last year are being addressed. There is still much work ahead to produce the financial statements for the final audit work at the end of June and we are focussing on ensuring that this will happen.

- 3.3 A further report on progress on each recommendation is set out in Appendix 1. There has been considerable progress made to date. The weekly meetings including Audit Commission and Council officers have proved to be particularly effective in enabling issues to be addressed and ensuring the timetable has been adhered to.

- 3.4 At the time of drafting this report the final quality control processes are being undertaken and the working papers are being prepared in advance of the start of the audit process.

4.0 Financial Implications

- 4.1 No specific implications.

5.0 Legal Implications

- 5.1 No specific implications.

6.0 Diversity Implications

- 6.1 No specific implications

7.0 Staffing Implications

- 7.1 No specific implications.

8.0 Background Information

- 8.1 Annual Governance Report – Progress Report on Action Plan – Report to Audit Committee 22 February 2012

9.0 Contact Officer

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CLIVE HEAPHY
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