

Enquiries - please ask for Chris Punnett - email: chris@conservancy.co.uk

18<sup>th</sup> September 2009

## **ACCOUNTS AND AUDIT COMMITTEE**

A meeting of the Conservancy's Accounts and Audit Committee will be held at **10.00 am** on **Monday 28<sup>th</sup> September 2009** in the **Leconfield Room at Edes House, County Hall, Chichester**.

### **JOHN DAVIS**

Manager & Harbour Master

## **AGENDA**

### **1. Appointment of Chairman**

### **2. Apologies**

### **3. Declaration of Interests**

Members and officers are invited to make declarations of personal or prejudicial interests that they may have in relation to items on the agenda and are reminded to make declarations at any stage during the meeting if it then becomes apparent that this may be required when a particular item or issue is considered.

### **4. Minutes**

To approve the minutes of the meeting held on 25<sup>th</sup> June 2009 (overleaf).

### **5. Audit Commission: Annual Governance Report**

To consider the Audit Commission's Annual Governance Report for 2008/09 (attached).

### **6. Urgent Matters**

Items not on the agenda which the Chairman of the meeting agrees should be considered as a matter of urgency due to special circumstances.

**Committee Members:** Chairman of the Conservancy: Mrs Louise Goldsmith  
Vice-Chairman of the Conservancy: Mr Tim Knight  
Chairman of the Advisory C'tee: Mr Peter Taylor

**Audit Commission:** Emma Wootton

## CHICHESTER HARBOUR CONSERVANCY

### ACCOUNTS AND AUDIT COMMITTEE

Minutes of the meeting of the Accounts and Audit Committee held on 25<sup>th</sup> June 2009 at the Education Centre Office, Dell Quay, Chichester.

Present: Mrs Louise Goldsmith (Chairman) and Mr Tim Knight.

Apologies: Mr Peter Taylor (Chairman of the Advisory Committee)

### MINUTES

1. **Resolved** that the minutes of the meeting of the Committee held on 22<sup>nd</sup> September 2008 be approved as a correct record and signed by the Chairman.

### DECLARATION OF INTERESTS

2. ;jThere were no declarations of interest.

### FINAL ACCOUNTS

3. The Committee considered a report by the Treasurer and the Manager & Harbour Master on the Final Accounts for the 2008/09 financial year (copy attached to the signed minutes).
4. The report had been prepared for submission to both this Committee and the Conservancy, and had accordingly been scrutinised by the Advisory Committee prior to this meeting. That Committee had accepted the report as a true record of the Conservancy's financial affairs during 2008/09 and had recommended that the Conservancy (when it met on 2<sup>nd</sup> July 2009) should agree the outturn position for the year ended 31<sup>st</sup> March 2009 shown in the report.
5. The Committee agreed that the Financial Report and Accounts for the year ended 31<sup>st</sup> March 2009 shown in Appendix 2 of the report were accurate and complete. However, following queries raised during consideration of the papers, it was agreed that wherever possible there should be consistency of treatment of the figures shown in order to aid understanding (for example by showing all figures at gross value, as opposed to gross in the Management Accounts summary and net in the Financial Report). The Treasurer confirmed that a review was planned to consider how greater consistency might be achieved in future.
6. **Resolved** that the Financial Report and Accounts for the year ended 31<sup>st</sup> March 2009 shown in Appendix 2 of the report be approved for submission to the Audit Commission for audit, and signed by the Chairman.

The meeting started at 12noon and ended at 12.39pm.

Chairman

## CHICHESTER HARBOUR CONSERVANCY

### ACCOUNTS AND AUDIT COMMITTEE

Minutes of the meeting of the Accounts and Audit Committee held on 25<sup>th</sup> June 2009 at the Education Centre Office, Dell Quay, Chichester.

Present: Mrs Louise Goldsmith (Chairman) and Mr Tim Knight.

Apologies: Mr Peter Taylor (Chairman of the Advisory Committee)

### MINUTES

1. **Resolved** that the minutes of the meeting of the Committee held on 22<sup>nd</sup> September 2008 be approved as a correct record and signed by the Chairman.

### DECLARATION OF INTERESTS

2. There were no declarations of interest.

### FINAL ACCOUNTS

3. The Committee considered a report by the Treasurer and the Manager & Harbour Master on the Final Accounts for the 2008/09 financial year (copy attached to the signed minutes).
4. The report had been prepared for submission to both this Committee and the Conservancy, and had accordingly been scrutinised by the Advisory Committee prior to this meeting. That Committee had accepted the report as a true record of the Conservancy's financial affairs during 2008/09 and had recommended that the Conservancy (when it met on 2<sup>nd</sup> July 2009) should agree the outturn position for the year ended 31<sup>st</sup> March 2009 shown in the report.
5. The Committee agreed that the Financial Report and Accounts for the year ended 31<sup>st</sup> March 2009 shown in Appendix 2 of the report were accurate and complete. However, following queries raised during consideration of the papers, it was agreed that wherever possible there should be consistency of treatment of the figures shown in order to aid understanding (for example by showing all figures at gross value, as opposed to gross in the Management Accounts summary and net in the Financial Report). The Treasurer confirmed that a review was planned to consider how greater consistency might be achieved in future.
6. **Resolved** that the Financial Report and Accounts for the year ended 31<sup>st</sup> March 2009 shown in Appendix 2 of the report be approved for submission to the Audit Commission for audit, and signed by the Chairman.

The meeting started at 12noon and ended at 12.39pm.

Chairman

# Annual Governance Report

Chichester Harbour Conservancy

Audit 2008/09

**September 2009**

---

# Contents

<b>Key messages</b>	<b>4</b>
<b>Next steps</b>	<b>6</b>
<b>Financial statements</b>	<b>7</b>
<b>Independence</b>	<b>9</b>
<b>Use of resources</b>	<b>11</b>
<b>Appendix 1 – Independent auditor’s report to Members of Chichester Harbour Conservancy</b>	<b>12</b>
<b>Appendix 2 – Unadjusted misstatements in the accounts</b>	<b>15</b>
<b>Appendix 3 – Draft letter of representation</b>	<b>16</b>
<b>Appendix 4 – Action plan</b>	<b>20</b>

---

## **Status of our reports**

The Statement of Responsibilities of Auditors and Audited Bodies issued by the Audit Commission explains the respective responsibilities of auditors and of the audited body. Reports prepared by appointed auditors are addressed to non-executive directors members or officers. They are prepared for the sole use of the audited body. Auditors accept no responsibility to:

- any director/member or officer in their individual capacity; or
  - any third party.
-

Ladies and Gentlemen

**2008/09 Annual Governance Report**

I am pleased to present the final version of my report on the results of my audit work for 2008/09.

A draft of the report was discussed and agreed with Officers on 18 September 2009 and has been updated since as issues have been resolved.

The report sets out the key issues that you should consider before I complete the audit.

It asks you to:

- consider the matters raised in the report before approving the financial statements (pages 7 to 8);
- agree to adjust the errors in the financial statements I have identified or set out the reasons for not amending the errors; (Appendix 2);
- approve the letter of representation on behalf of the Conservancy before I issue my opinion and conclusion (Appendix 3); and
- agree your response to the proposed action plan (Appendix 4).

Yours faithfully

Helen Thompson  
District Auditor  
28 September 2009

# Key messages

This report summarises the findings from the 2008/09 audit which is substantially complete. It includes the messages arising from my audit of your financial statements and the results of the work I have undertaken to assess how well you use and manage your resources to deliver value for money and better and sustainable outcomes for local people.

Financial Statements	Results	Page
Unqualified audit opinion	Yes	7
Financial statements free from material error	Yes	7
Adequate internal control environment	Yes	7
Use of resources	Results	Page
Use of resources judgements	Yes	11
Arrangements to secure value for money	Yes	11

## Audit opinion

- 1 We are currently completing our work on the financial statements. Subject to fully completing the audit I plan to issue an unqualified opinion on the financial statements.

## Financial statements

- 2 The statements presented for audit were of good quality. We identified a small number of errors in these statements and further details are provided in the Financial Statements section below.

## Use of resources

- 3 Under the Code of Audit Practice I am required to give a value for money (VFM) conclusion as to whether I am satisfied that the Conservancy has put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources.
- 4 In reaching this conclusion I have considered the Conservancy's arrangements against the following key lines of enquiry (KLOE) criteria:
  - understanding costs and achieving efficiencies;
  - financial reporting;
  - good governance; and

## Key messages

- risk management and internal control.
- 5 Based on our work in this area I have concluded that the Conservancy has adequate arrangements in place to secure value for money. I therefore plan to issue an unqualified VFM conclusion.

---

# Next steps

**This report identifies the key messages that you should consider before I issue my financial statements opinion, value for money conclusion, and audit closure certificate. It includes only matters of governance interest that have come to my attention in performing my audit. My audit is not designed to identify all matters that might be relevant to you.**

---

**6** I ask the Accounts and Audit Committee to:

- consider the matters raised in the report before approving the financial statements (pages 7 to 8);
- agree to adjust the errors in the financial statements I have identified or set out the reasons for not amending the errors (Appendix 2);
- take note of the VFM Conclusion;
- approve the letter of representation on behalf of the Conservancy before I issue my opinion and conclusion (Appendix 3); and
- agree your response to the proposed action plan (Appendix 4).

---

# Financial statements

**The Harbour Conservancy's financial statements and annual governance statement are important means by which the Harbour Conservancy's accounts for its stewardship of public funds. As Conservancy members you have final responsibility for these statements. It is important that you consider my findings before you adopt the financial statements and the annual governance statement.**

---

## Opinion on the financial statements

- 7 Subject to satisfactory clearance of outstanding matters, I plan to issue an audit report including an unqualified opinion on the financial statements. Appendix 1 contains a copy of my draft audit report.
- 8 We are currently completing our testing of the impairment review, in-year journals and payroll.

---

## Errors in the financial statements

- 9 We noted a small number of errors in the financial statements provided for audit.
- 10 During 2008/09 changes were made to the Pensions Statement of Recommended Practice (SORP) to ensure compliance with the requirements of FRS 25 and 26. These amendments are also reflected in the Local Government SORP that governs the production of the Conservancy's financial statements. The main change relates to the valuation of pension fund investments from mid-market price to fair value, usually bid price. Adjustments made to the financial statements to reflect this change in accounting policy, with a total value of £10,000, were disclosed as an adjustment to prior period comparative information. However, the required adjustments are not sufficiently large to fundamentally affect the view of a user of the statements. The adjustments therefore do not meet the requirements for a prior period adjustment having regard to the requirements of FRS3, and should have been accounted for during the current financial year. The Conservancy should consider amending the financial statements to reflect this.

Recommendation
----------------

- |   |
|---|
| <b>R1</b> Amend the financial statements to remove the prior period adjustment for valuation of pension fund investments which does not meet the criteria of FRS 3. |
|---|

---

## Material weaknesses in internal control

- 11 An independent sample check of journals is undertaken by a senior officer on a periodic basis however evidence of this review is not retained. The Conservancy

should retain evidence of the independent review of journals to demonstrate that the control is in operation.

**Recommendation**

**R2** Retain evidence to support independent review of journals raised.

**Letter of representation**

**12** Before I issue my opinion, auditing standards require me to obtain appropriate written representations from you and management about your financial statements and governance arrangements. Appendix 3 contains the draft letter of representation I seek to obtain from you.

**Key areas of judgement and audit risk**

**13** In planning my audit I identified specific risks and areas of judgement that I have considered as part of my audit. My findings are set out in Table 1.

**Table 1** Key areas of judgement and audit risk

Issue or risk	Finding
The current economic climate means that there are likely to be impairments to fixed assets in 2008/09. There is a risk that any impairments identified are not accounted for correctly.	The Conservancy has undertaken an impairment review. We are currently completing our work in this area.

**Accounting practice and financial reporting**

**14** I consider the qualitative aspects of your financial reporting. We noted a number of minor presentation issues which are currently being corrected, none of which were significant.

# Independence

- 15 The Code of Audit Practice and the Audit Practices Board’s (APB) Ethical Standards with which auditors must comply require that auditors act, and are seen to act, with integrity, objectivity and independence.
- 16 We confirm that we comply with the APB’s Ethical Standards, that we are independent and that our objectivity is not compromised.

## Our arrangements to ensure independence and objectivity

- 17 We have comprehensive procedures to ensure independence and objectivity. These are outlined in Table 3.

**Table 2 Arrangements to ensure independence and objectivity**

Area	Arrangements
Independence policies	<p>Our policies and procedures ensure that professional staff or an immediate family member:</p> <ul style="list-style-type: none"> <li>• do not hold a financial interest in any of our audit clients;</li> <li>• may not work on assignments if they have a financial interest in the client or a party to the transaction or if they have a beneficial interest in a trust holding a financial position in the client; and</li> <li>• may not enter into business relationships with UK audit clients or their affiliates.</li> </ul> <p>Our procedures also cover the following topics and can be provided to you on request:</p> <ul style="list-style-type: none"> <li>• the general requirement to carry out work independently and objectively;</li> <li>• safeguarding against potential conflicts of interest;</li> <li>• acceptance of additional (non-audit) work;</li> <li>• rotation of key staff;</li> <li>• other links with audited bodies;</li> <li>• secondments;</li> </ul>

Area	Arrangements
	<ul style="list-style-type: none"> <li>• membership of audited bodies;</li> <li>• employment by audited bodies;</li> <li>• political activity; and</li> <li>• gifts and hospitality.</li> </ul>
Code of Conduct	<p>The Code of Conduct forms part of the terms and conditions of all Audit Commission employees. The Code of Conduct states that staff have to comply with ethical guidance issued by their relevant professional bodies.</p>
Confidentiality	<p>All staff are required to sign an annual undertaking of confidentiality as a condition of employment.</p>

---

# Use of resources

I am required to conclude whether the Conservancy has put in place adequate corporate arrangements for securing economy, efficiency and effectiveness in its use of resources. This is known as the value for money (VFM) conclusion.

---

## Value for money conclusion

- 18** I assess your arrangements to secure economy, efficiency and effectiveness in your use of resources against criteria specified by the Audit Commission. From 2008/09, the Audit Commission will specify each year, which of the use of resources KLOE are the relevant criteria for the VFM conclusion at each type of audited body. My conclusions on each of the areas are set out below.
- 19** I intend to issue an unqualified conclusion stating that the Conservancy had adequate arrangements to secure economy, efficiency and effectiveness in the use of resources. Appendix 1 contains the wording of my draft report.

---

**Table 3     Managing finances**

KLOE	VFM criterion met
KLOE 1.2 (understanding costs and achieving efficiencies)	Yes
KLOE 1.3 (financial reporting)	Yes

---

**Table 4     Governing the business**

KLOE	VFM criterion met
KLOE 2.3 (good governance)	Yes
KLOE 2.4 (risk management and internal control)	Yes

# Appendix 1 – Independent auditor’s report to Members of Chichester Harbour Conservancy

---

## **Opinion on the financial statements**

I have audited the Authority accounting statements and related notes of Chichester Harbour Conservancy for the year ended 31 March 2009 under the Audit Commission Act 1998. The accounting statements comprise the Income and Expenditure Account, the Statement of Movement on the General Fund Balance, the Balance Sheet, the Statement of Total Recognised Gains and Losses, the Cash Flow Statement and the related notes. These accounting statements have been prepared under the accounting policies set out in the Statement of Accounting Policies.

This report is made solely to the members of Chichester Harbour Conservancy in accordance with Part II of the Audit Commission Act 1998 and for no other purpose, as set out in paragraph 49 of the Statement of Responsibilities of Auditors and of Audited Bodies prepared by the Audit Commission.

## **Respective responsibilities of the Treasurer and auditor**

The Treasurer responsibilities for preparing the financial statements in accordance with relevant legal and regulatory requirements and the Code of Practice on Local Authority Accounting in the United Kingdom 2008 are set out in the Statement of Responsibilities for the Statement of Accounts.

My responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). I report to you my opinion as to whether the accounting statements present fairly, in accordance with relevant legal and regulatory requirements and the Code of Practice on Local Authority Accounting in the United Kingdom 2008 the financial position of the Conservancy and its income and expenditure for the year.

I review whether the governance statement reflects compliance with ‘Delivering Good Governance in Local Government: A Framework’ published by CIPFA/SOLACE in June 2007. I report if it does not comply with proper practices specified by CIPFA/SOLACE or if the statement is misleading or inconsistent with other information I am aware of from my audit of the financial statements. I am not required to consider, nor have I considered, whether the governance statement covers all risks and controls. Neither am I required to form an opinion on the effectiveness of the Conservancy’s corporate governance procedures or its risk and control procedures.

## **Appendix 1 – Independent auditor’s report to Members of Chichester Harbour Conservancy**

I read other information published with the accounting statements, and consider whether it is consistent with the audited accounting statements. This other information comprises the Financial Report. I consider the implications for my report if I become aware of any apparent misstatements or material inconsistencies with the accounting statements. My responsibilities do not extend to any other information.

### **Basis of audit opinion**

I conducted my audit in accordance with the Audit Commission Act 1998, the Code of Audit Practice issued by the Audit Commission and International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounting statements and related notes. It also includes an assessment of the significant estimates and judgments made by the Conservancy in the preparation of the accounting statements and related notes, and of whether the accounting policies are appropriate to the Conservancy’s circumstances, consistently applied and adequately disclosed.

I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that the accounting statements and related notes are free from material misstatement, whether caused by fraud or other irregularity or error. In forming my opinion I also evaluated the overall adequacy of the presentation of information in the accounting statements and related notes.

### **Opinion**

In my opinion the Conservancy financial statements present fairly, in accordance with relevant legal and regulatory requirements and the Code of Practice on Local Authority Accounting in the United Kingdom 2008, the financial position of the Authority as at 31 March 2009 and its income and expenditure for the year then ended.

---

## **Conclusion on arrangements for securing economy, efficiency and effectiveness in the use of resources**

### **Conservancy’s Responsibilities**

The Conservancy is responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources, to ensure proper stewardship and governance and regularly to review the adequacy and effectiveness of these arrangements.

### **Auditor’s Responsibilities**

I am required by the Audit Commission Act 1998 to be satisfied that proper arrangements have been made by the Conservancy for securing economy, efficiency and effectiveness in its use of resources. The Code of Audit Practice issued by the Audit Commission requires me to report to you my conclusion in relation to proper arrangements, having regard to relevant criteria specified by the Audit Commission for other local government

bodies. I report if significant matters have come to my attention which prevent me from concluding that the Conservancy has made such proper arrangements. I am not required to consider, nor have I considered, whether all aspects of the Conservancy’s arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

### **Conclusion**

I have undertaken my audit in accordance with the Code of Audit Practice and having regard to the criteria for other local government bodies specified by the Audit Commission and published in May 2008 and updated in February 2009, and the supporting guidance, I am satisfied that, in all significant respects, Chichester Harbour Conservancy made proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ending 31 March 2009.

---

### **Certificate**

I certify that I have completed the audit of the accounts in accordance with the requirements of the Audit Commission Act 1998 and the Code of Audit Practice issued by the Audit Commission.

Helen Thompson

District Auditor  
Audit Commission  
Bicentennial Building  
Southern Gate  
Chichester  
West Sussex  
PO19 8EZ

---

## Appendix 2 – Unadjusted misstatements in the accounts

The following misstatements were identified during the course of my audit and the financial statements have not been adjusted by management. I bring them to your attention to assist you in fulfilling your governance responsibilities. If you decide not to do so, please tell us why in the representation letter. If you believe the effect of the uncorrected errors, individually and collectively, is immaterial, please reflect this in the representation letter. Please attach a schedule of the uncorrected errors to the representation letter.

---

**Table 5**

<b>Description of error</b>	<b>Accounts affected</b>	<b>Value of error £</b>
The financial statements include a prior period adjustment for the valuation of pension fund investments which does not meet the criteria of FRS 3.	Prior year comparatives	10,000
The prior year comparatives for Audit fees are shown as £8,500 rather than £9000 in the 2008/09 statements.	Prior year comparatives	500

---

---

# Appendix 3 – Draft letter of representation

To: Helen Thompson  
 District Auditor  
 Audit Commission  
 Bicentennial Building  
 Southern Gate  
 Chichester  
 West Sussex  
 PO19 8EZ

## Chichester Harbour Conservancy - Audit for the year ended 31 March 2009

I confirm to the best of my knowledge and belief, having made appropriate enquiries of other officers of Chichester Harbour Conservancy, the following representations given to you in connection with your audit of the Harbour Conservancy's financial statements for the year ended 31 March 2009.

### 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 present fairly the financial position and financial performance of the Harbour Conservancy and for making accurate representations to you.

### Uncorrected misstatements

I confirm that I believe that the effects of the uncorrected financial statements misstatements listed in the attached schedule are not material to the financial statements, either individually or in aggregate. These misstatements have been discussed with those charged with governance within the Harbour Conservancy and the reasons for not correcting these items are as follows;

Uncorrected misstatement	Reason for not correcting this item
The financial statements include a prior period adjustment of £10,000 for the change in accounting policy in relation to the valuation of pension fund investments from mid market to bid price. This prior period adjustment does not meet the requirements	

## Appendix 3 – Draft letter of representation

of FRS 3 as the required adjustments are not sufficiently large to fundamentally affect the view of a user of the statements.	
The prior year comparatives for audit fees are shown as £8,500 rather than £9000 in the 2008/09 statements.	

### 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 [insert type of audited body] have been properly reflected and recorded in the accounting records. All other records and related information, including minutes of all Conservancy 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 Harbour Conservancy.

### Fair Values

I confirm the reasonableness of the significant assumptions within the financial statements. For Financial Instruments fair value assumption, 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
- if subsequent events require/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.

### 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;
- 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

## Appendix 3 – Draft letter of representation

### Post balance sheet events

Since the date of approval of the financial statements by the Conservancy, no additional significant post balance sheet events that have occurred which would require additional adjustment or disclosure in the financial statements.

The Harbour Conservancy 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 Chichester Harbour Conservancy

I confirm that the this letter has been discussed and agreed by the Audit and Accounts Committee on 28 September 2009

Signed

Name

Position

Date

## Appendix 4 – Action plan

Page no.	Recommendation	Priority 1 = Low 2 = Med 3 = High	Responsibility	Agreed	Comments	Date
<b>Annual Governance Report 2008/09 - Recommendations</b>						
7	R1 Amend the financial statements to remove the prior period adjustment for valuation of pension fund investments which does not meet the criteria of FRS 3.					
8	R2 Retain evidence to support independent review of journals raised.					

---

# The Audit Commission

The Audit Commission is an independent watchdog, driving economy, efficiency and effectiveness in local public services to deliver better outcomes for everyone.

Our work across local government, health, housing, community safety and fire and rescue services means that we have a unique perspective. We promote value for money for taxpayers, auditing the £200 billion spent by 11,000 local public bodies.

As a force for improvement, we work in partnership to assess local public services and make practical recommendations for promoting a better quality of life for local people.

---

## Copies of this report

If you require further copies of this report, or a copy in large print, in Braille, on tape, or in a language other than English, please call 0844 798 7070.

© Audit Commission 2009

For further information on the work of the Commission please contact:

Audit Commission, 1st Floor, Millbank Tower, Millbank, London SW1P 4HQ

Tel: 0844 798 1212 Fax: 0844 798 2945 Textphone (minicom): 0844 798 2946

[www.audit-commission.gov.uk](http://www.audit-commission.gov.uk)

---