

AGENDA ITEM No. 7

PEAK DISTRICT NATIONAL PARK AUTHORITY

NATIONAL PARK AUTHORITY MEETING

24 SEPTEMBER 2010

CORPORATE RESOURCES

PART A

1 AUDIT COMMISSION: 2009/10 ANNUAL GOVERNANCE REPORT (A1362/RMM/PN)

Purpose of the report

- 1 This report asks Members to consider the Audit Commission's 2009/10 annual governance report and note the changes made to the final accounts in response to the Auditor.

Recommendations

- 2 1. **That, as requested by the Auditor, Members:**
- a) **Consider the matters raised in the Audit Commission's report at Appendix A (pages 4 to 9)**
 - b) **Take note of the Value for Money conclusion (page 9)**
 - c) **Approve the letter of representation (Appendix 2 of Appendix A)**
 - d) **Agree the amendment to the 2009/10 annual governance statement at Appendix B.**
2. **That the changes made to the final accounts in response to the Auditor as detailed in Appendix C be noted.**

How does this contribute to our policies and legal obligations?

- 3 The work of the Audit Commission is a key part of our governance arrangements and helps us to monitor and improve performance against our key corporate action K1 of 'ensuring value for money, sustainability and high standards of corporate governance in the way that we deliver services'. Achieving unqualified opinions from the external auditor is a corporate performance indicator.

Background

- 4 The duties and powers of auditors appointed by the Audit Commission are set out in the Audit Commission Act 1998, the Local Government Act 1999, and the Code of Audit Practice issued by the Audit Commission. Considering the Auditor's report is part of the agreed Audit and Performance Committee work programme

Proposals

5 The full report for consideration is given at Appendix A and includes 3 Appendices:

Appendix 1: Independent auditor's report to members of the Peak District National Park Authority

Appendix 2: Draft Letter of representation

Appendix 3: Value for Money criteria

6 Subject to this Committee considering the matters raised and agreeing the letter of representation the Auditor plans to issue an audit report that includes an unqualified opinion on the financial statements and an unqualified conclusion on the value for money assessment.

7 Before the Auditor can issue an opinion written representations are required about the financial statement and governance arrangements. The draft letter of representation is given at Appendix 2.

8 When the Authority agreed the Annual Governance Statement (AGS) on 25 June (as amended to include reference to the position on the Local Development Framework) members also considered a separate report on how we intended to address the 5% in-year cut to our 2010/11 budget as just notified by the Department for Environment, Food and Rural Affairs (Defra). This same report included reference to a letter from Defra which asked us to prepare for a period of year-on-year fiscal contraction. Around the same time we were asked to plan for a possible 30% reduction in our funding for the four year period from 2011/12 to 2014/15. Following discussions with the District Auditor the Director of Corporate Resources feels this should have been another update made to the AGS when the Authority approved it in June, and should be highlighted as a significant governance issue. The amendments shown in Appendix B are therefore now proposed.

9 The Auditor makes no recommendations as any issues arising during the audit have been dealt with in the amendments as shown in Appendix C.

Are there any corporate implications members should be concerned about?

10 **Financial:** The fees for external audit of £23,919 are funded from the existing Finance Services budget.

11 **Risk Management:** The scrutiny and advice provided by external audit is part of our governance framework. The Auditor's work is based on an assessment of audit risk as described in the report.

12 **Sustainability:** There are no issues to highlight.

13 **Background papers** (not previously published) – None

Appendices –

Appendix A: Audit Commission: Annual Governance Report 2009/10 (including Appendices 1-3)

Appendix B Amendments to the 2009/10 Annual Governance Statement

Appendix C: Amendments to the 2009/10 draft accounts

Report Author, Job Title and Publication Date

Ruth Marchington, Director of Corporate Resources, 16 September 2010