

Annual Governance Report

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# Annual Governance Report

**City of York Council**

**Audit 2006/07**

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Author Mark Kirkham

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

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

Tel: 020 7828 1212 Fax: 020 7976 6187 Textphone (minicom): 020 7630 0421

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## Purpose of this document

- 1 In accordance with the Audit Commission's Code of Audit Practice (the Code), this report provides a summary of the work we have carried out during our 2006/07 audit of accounts, the conclusions we have reached and the recommendations we have made to discharge our statutory audit responsibilities to those charged with governance (in this case the Audit & Governance Committee).
- 2 In preparing our report, the Code requires us to comply with the requirements of International Standards on Auditing (United Kingdom & Ireland) – ISA (UK&I) - 260 'Communication of Audit Matters to Those Charged With Governance', by reporting to you matters relating to the audit of the financial statements. Other auditing standards require us to communicate with you in other specific circumstances including:
  - where we suspect or detect fraud;
  - where there is an inconsistency between the financial statements and other information in documents containing the financial statements; and
  - non-compliance with legislative or regulatory requirements and related authorities.
- 3 We are also required to communicate to you the Audit Commission's requirements in respect of independence and objectivity, and these are set out at Appendix 2.
- 4 This report has been prepared for presentation to the Audit & Governance Committee on 24 September. Members attention is drawn to the need to:
  - consider the matters raised in the report before the financial statements are approved;
  - approve the representation letter on behalf of the Council and those charged with governance before we issue our opinion;
  - consider amending the financial statements for unadjusted misstatements;
  - consider the significant qualitative aspects of financial reporting; and
  - consider any recommendations for improvement in the action plan.
- 5 Our work during the year was performed in line with the plan that we presented to you in April 2006. We have issued separate reports during the year having completed specific aspects of our programme, which are listed in Appendix 3.

## Key messages

- 6 Our work on the financial statements is substantially complete, although there are some outstanding issues to be resolved. In particular, our work on the fixed assets and related capital accounting entries, the cash flow statement and the Council's reserves has yet to be completed. Should any further matters arise in concluding the outstanding work that need to be reported, we will raise them with the Director of Resources and the Chair of the Audit & Governance Committee.
- 7 Based on the work completed to date, and assuming that officers amend the accounts for the mis-statements identified later in the report, we intend to issue an unqualified audit opinion on 28th September 2007 (a draft report is attached at Appendix 4).
- 8 In our view, the Statement on Internal Control (SIC) has been prepared in accordance with proper practice specified by CIPFA and is consistent with the findings from our audit.
- 9 Our work on the Council's arrangements to secure economy, efficiency and effectiveness in its use of resources is now complete. We intend to issue an unqualified conclusion on 28 September (a draft report is attached at Appendix 4).

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## Audit status

- 10 At the date of issue of this report our detailed audit is substantially complete. There are a number of issues outstanding, and there are three significant mis-statements in the accounts. Officers have agreed to make the necessary amendments to the accounts and for these to be resubmitted for Member approval.
- 11 The Council has taken a positive and constructive approach to our audit and we would like to take this opportunity to express our appreciation for the Council's assistance and co-operation.

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## Accounts and Statement on Internal Control

- 12 Our work on the financial statements is substantially complete, although there is still some work to be completed and there are some issues to be resolved.
- 13 Our work on the fixed assets and related capital accounting entries has yet to be completed, as has our work on the cash flow statement, and some minor items on the Income and Expenditure Account.
- 14 The most significant matter outstanding relates to the Council's sheltered accommodation which is valued in the financial statements using a formula that was derived many years ago. Officers are currently obtaining further evidence to support the accounting treatment adopted, so this issue is still outstanding.
- 15 Auditors are required to obtain written confirmation of certain representations from management and those charged with governance before an audit report is issued, such as acknowledgement of responsibility for the fair presentation of the financial statements in accordance with the applicable financial reporting framework and responsibility for the design and implementation of internal control to prevent and detect error.
- 16 The auditor should also obtain written representations from management on matters material to the financial statements when other sufficient appropriate audit evidence cannot reasonably be expected to exist. The final draft of the letter of representation has been attached as Appendix 5, and this should be signed by the Director of Resources and the chair of the Audit & Governance Committee.

### Unadjusted mis-statements

- 17 We are required to report to you all unadjusted misstatements that we have identified during the course of our audit, other than those that are clearly trivial. Discussions with officers have indicated that they will amend the accounts for the mis-statements identified in this report and consequently we are not reporting any issues in this section.

### Adjustments to the financial statements

- 18 We are also required to bring to your attention mis-statements that have already been corrected by management where we consider them relevant to your wider governance responsibilities. These are recorded in full at Appendix 6 but we provide an analysis of the most significant items below for your attention.

- 19 There is a mis-statement in the 2005-06 comparators in the Statement of Total Recognised Gains & Losses (STRGL). The STRGL is a new statement in 2006-07 and officers have had to retrospectively produce comparative figures for 2005-06. This mis-statement does not affect last year's statement of accounts. The total value of the mis-statement is £10.4M and this will impact on several of the 2005-06 comparator entries in the Statement. Officers report that they will correct the accounts, but they are still finalising the accounting entries to achieve this.
- 20 The Statement of the Movement on the General Fund Balance contains an entry which, while being in accordance with the requirements of the CIPFA Statement of Recommended Practice (SORP), is not in accordance with the CIPFA SORP Practitioners Guidance Notes. The entry relates to the Employers Pensions Contributions (£12.7M). While there is no effect on the general fund balance., in our view the accounts should be amended to comply with the Guidance Notes for Practitioners in order to provide a more transparent and comprehensive analysis of the Council's financial position.
- 21 The Council has included an amount in the Tangible Fixed Assets balance relating to the Hob Moor School. The school was financed by the Private Finance Initiative, and should not be included in the Council's balance sheet. The value on the balance sheet includes an element for the land, and an element for the buildings. Officers report that they intend to remove the element relating to the buildings (valued at £4.12M), but intend to leave the value of the land on the Council's balance sheet (valued at £4.57M). We have not yet completed our consideration of this proposed amendment, and this item is therefore not yet fully resolved.
- 22 Cumulatively these adjustments significantly affect the financial statements so the Council will need to amend the accounts and re-approve them.

<b><i>Recommendations</i></b>
<i>R1 Amend the financial statements to correct the significant mis-statements.</i>
<i>R2 Resubmit the accounts for approval.</i>

## Accounting practices

- 23 We are also required to report to you our view on the qualitative aspects of the Council's accounting practices and financial reporting and have set out below our observations on key issues affecting the Council.

### Supporting working papers

- 24 Supporting working papers should be produced for all entries in the statement of accounts, and these should be available for audit at the same time as the statement of accounts, i.e., 30th June.



- 25 The background to this year's closedown of the financial statements is that there were difficult staffing issues and significant changes to the format of the accounts. These factors have impacted on the Council's arrangements to produce accurate supporting papers in a timely manner, but even allowing for these factors, we have experienced a number of difficulties with supporting working papers this year.
- 26 We began our audit in mid July, and although some working papers were provided to us at that time, there were a number of key working papers that weren't available until the end of July or early August, and some that were received in early September. For example, the bank reconciliation, one of the fundamental working papers, was not provided to us until early August, and the full breakdown of the Assets Under Construction, balance was provided to us in early September. Similar delays also occurred elsewhere, especially in relation to the fixed asset balances and related capital accounting entries, and officers had to carry out additional work to reconcile the working papers to the accounts.
- 27 Working papers should be referenced to the accounts and cross referenced to other supporting working papers. While many working papers presented for audit were satisfactorily referenced/cross referenced, the evidence suggests that this is not routinely done to the required standard.
- 28 As aspects of financial control are devolved to service departments, it is important for there to be strong channels of communication between the relevant finance staff. We have found examples where the communication could be improved, both between devolved finance staff and within corporate accountancy. Improving such communication is of key importance if the Council is to deliver an effective closedown process in future years.
- 29 It is important that auditors and Council officers share a common understanding on our audit requirements and the expected standards for working papers. The staffing issues and changes to the accounting framework, mentioned in paragraph 25, along with staff changes in the audit team, has led to breakdown in that common understanding this year, and that improvements can be made. To assist officers next year we will provide a list of the key working papers that we will require to conduct our audit, and will engage in a dialogue with officers leading up to the production of the accounts to agree the required standards for the working papers. Additionally, officers should improve the project planning, by producing a more detailed project plan for the production of the 2007-08 financial statements, providing the mechanism to identify slippage against deadlines and to ensure that all key deliverables are completed.

### **Recommendations**

*R3 Produce comprehensive supporting working papers to the required timetable.*

*R4 Improve communication between the Council's finance staff.*

*R5 Agree working paper requirements, including the required standards, before the start of the closedown process.*

*R6 Produce a detailed project plan to manage the closedown process in 2007-08.*

### Senior officer review

- 30 In response to our recommendations last year, senior officers reviewed the financial statements before they were submitted for audit. The purpose of this review is to provide assurance to the Director of Resources that the accounts are free from material mis-statement and supported by comprehensive working papers. Our experience of the key working papers suggests that this review should be enhanced to cover the working papers supporting the entries in the key financial statements.

#### **Recommendations**

*R7 Enhance the senior officer review of the financial statements to incorporate a review of key working papers.*

### Whole of Government Accounts

- 31 A related part of the Council's closedown process is the production of the Whole of Government Accounts consolidation pack. We have to provide our audit opinion on this consolidation pack by the 1st October, which is also the government's deadline for the Council to produce such details. Officers report that they are in the final stages of completing this work, and expect to submit these for audit by mid-September. As a result we are yet to receive the consolidation pack and working papers.

### Systems of internal control

- 32 As part of our audit, we consider the systems of accounting and financial control and report to you any material weaknesses identified. In setting out the weaknesses below, it is important to set these in context. We have reviewed ten of the Council's financial systems in 2006-07. In the majority of these we have found controls to be operating satisfactorily to prevent and detect material mis-statements in the accounts. Additionally we have carried out a review of Internal Audit, and concluded that the Council's Internal Audit service is meeting the requirements of the CIPFA Internal Audit Standards.
- 33 Our review of the financial systems has identified the following weaknesses, which although not likely to lead to material mis-statements, are still significant:
- Within the car parking system:
    - there is no formal reconciliation between the income recorded by each car park machine and the income that is counted by the cashiers and is banked, and

- there is no control to ensure that all the boxes collected from the car park machines are delivered to the cashiers, as the cashiers have no record of which boxes to expect.
- 34** We have not provided a comprehensive statement of all weaknesses which may exist in internal control or of all improvements which may be made, but have addressed only those matters which have come to our attention as a result of the audit procedures we have performed.
- 35** We have also reviewed whether the SIC has been prepared in accordance with proper practice specified by CIPFA and is consistent with the findings from our audit. There are no matters arising from our work.

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## Use of resources

### Work performed

- 36 The Code requires us to reach a conclusion on whether we are satisfied that the Council has proper arrangements in place for securing economy, efficiency and effectiveness in its use of resources – the value for money conclusion. In meeting this responsibility, we review evidence that is relevant to the Council's corporate performance management and financial management arrangements across a range of criteria specified by the Audit Commission. Our work to support our conclusion comprised the following elements:
- use of resources assessment;
  - data quality work; and
  - the best value performance plan.
- 37 Details of our conclusion for each of the criteria specified by the Audit Commission are set out in Appendix 7.

### Use of resources assessment

- 38 We are currently finalising our report arising from our use of resources assessment. When finalised, we will discuss this with the relevant officers.

### Data quality work

- 39 We are currently finalising our data quality review and will report our findings to the relevant officers.

### Best value performance plan

- 40 Our work in respect of the Council's 2006/07 Best Value Performance Plan (BVPP) was reported in the 2006 annual audit and inspection letter. No recommendations were made to the Audit Commission or the Secretary of State.

## Audit fee update

- 41 We reported our fee proposals as part of the Audit Plan for 2006/07. The table below reports the outturn fee against that plan:

	Plan 2006/07	Actual 2006/07
Financial statements and Statement on Internal Control	69,000	69,000
Use of Resources	156,000	156,000
<b>Total Audit Fees</b>	<b>225,000</b>	<b>225,000</b>
Grants certification work	50,000	Work ongoing
Other work	0	16,780

- 42 The analysis above shows that our audit fee has been contained within the totals you have already agreed, with the exception of the other work. This other work comprises our ethical governance audit, and our review of the arrangements relating to the Moor Lane roundabout.
- 43 The outturn on inspection fees will be reported in the annual audit and inspection letter.

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## Appendix 1 – Action plan

Page no.	Recommendation	Priority 1 = Low 2 = Med 3 = High	Responsibility	Agreed	Comments	Date
8	R1 Amend the financial statements for the significant mis-statements.	3	Head of Finance	Yes		28 Sept 2007
8	R2 Resubmit the accounts for approval.	3	Head of Finance	Yes		28 Sept 2007
9	R3 Produce comprehensive supporting working papers to the required timetable.	3	Head of Finance	Yes		30 June 2008
9	R4 Improve communication between the Council's finance staff.	2	Head of Finance	Yes		30 June 2008
9	R5 Agree working paper requirements, including the required standards, before the start of the closedown process.	3	Head of Finance & AC Audit Manager	Yes		29 Feb 2008
9	R6 Produce a detailed project plan to manage the closedown process in 2007-08.	3	Head of Finance	Yes		31 Mar 2008
10	R7 Enhance the senior officer review of the financial statements to incorporate a review of key working papers.	2	Director of Resources & Head of Finance	Yes		30 June 2008

## Appendix 2 – The Audit Commission’s requirements in respect of independence and objectivity

- 1 We are required to communicate the following matters to those charged with governance:
  - the principal threats, if any, to objectivity and independence identified by the auditor, including consideration of all relationships between the Council, directors and the auditor;
  - any safeguards adopted and the reasons why they are considered to be effective;
  - any independent partner review;
  - the overall assessment of threats and safeguards; and
  - information about the general policies and processes for maintaining objectivity and independence.
- 2 We are not aware of any relationships that may affect the independence and objectivity of the audit team and which are required to be disclosed under auditing and ethical standards.

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## Appendix 3 – Audit reports issued

Planned output	Planned date of issue	Actual date of issue	Addressee
Audit plan	April 2006	April 2006	Council
Opinion audit plan	June 2007	July 2007	Acting Chief Executive
Annual governance report	September 2007	September 2007	Audit & Governance Cttee
Opinion on financial statements	September 2007	TBC	Council
Use of resources conclusion	September 2007	TBC	Council
Final accounts memorandum	October 2007	TBC	Director of Resources
BVPP report	December 2006	December 2006	Council
Data quality report	October 2007	TBC	Chief Executive
Annual audit letter	March 2008	TBC	Council



## Appendix 4 – Proposed auditor's report

### Independent auditor's report to the Members of City of York Council

#### Opinion on the financial statements

- 3 I have audited the financial statements and pension fund accounts of City of York Council for the year ended 31 March 2007 under the Audit Commission Act 1998. The financial statements comprise the Explanatory Foreword, Income and Expenditure Account, Statement of the Movement on the General Fund Balance, the Balance Sheet, the Statement of Total Recognised Gains and Losses, the Cash Flow Statement, the Housing Revenue Account, the Collection Fund and the related notes. The financial statements have been prepared under the accounting policies set out within them.
- 4 This report is made solely to City of York Council in accordance with Part II of the Audit Commission Act 1998 and for no other purpose, as set out in paragraph 36 of the Statement of Responsibilities of Auditors and of Audited Bodies prepared by the Audit Commission.

#### Respective responsibilities of the Chief Finance Officer and auditors

- 5 The Chief Finance Officer's responsibilities for preparing the financial statements, including the pension fund accounts, in accordance with applicable laws and regulations and the Statement of Recommended Practice on Local Authority Accounting in the United Kingdom 2006 are set out in the Statement of Responsibilities.
- 6 My responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).
- 7 I report to you my opinion as to whether the financial statements present fairly, in accordance with applicable laws and regulations and the Statement of Recommended Practice on Local Authority Accounting in the United Kingdom 2006 the financial position of the Council and its income and expenditure for the year.

- 8 I review whether the statement on internal control reflects compliance with CIPFA's guidance: 'The statement on internal control in local government: meeting the requirements of the Accounts and Audit Regulations 2003' issued in April 2004. I report if it does not comply with proper practices specified by CIPFA 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 statement on internal control covers all risks and controls. I am also not required to form an opinion on the effectiveness of the Council's corporate governance procedures or its risk and control procedures
- 9 I read other information published with the financial statements, and consider whether it is consistent with the audited financial statements. This other information comprises only the Annual Report. I consider the implications for my report if I become aware of any apparent misstatements or material inconsistencies with the financial statements. My responsibilities do not extend to any other information.

### **Basis of audit opinion**

- 10 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 financial statements. It also includes an assessment of the significant estimates and judgments made by the Council in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Council's circumstances, consistently applied and adequately disclosed.
- 11 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 financial statements 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 financial statements.

### **Opinion**

- 12 In my opinion:
  - The financial statements present fairly, in accordance with applicable laws and regulations and the Statement of Recommended Practice on Local Authority Accounting in the United Kingdom 2006, the financial position of the Council as at 31 March 2007 and its income and expenditure for the year then ended.

Mark Kirkham, District Auditor  
Audit Commission

Date

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

### **Authority's Responsibilities**

- 13 The authority 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 to regularly review the adequacy and effectiveness of these arrangements.
- 14 Under the Local Government Act 1999, the authority is required to prepare and publish a best value performance plan summarising the authority's assessment of its performance and position in relation to its statutory duty to make arrangements to ensure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

### **Auditor's Responsibilities**

- 15 I am required by the Audit Commission Act 1998 to be satisfied that proper arrangements have been made by the authority 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 principal local authorities. I report if significant matters have come to my attention which prevent me from concluding that the authority has made such proper arrangements. I am not required to consider, nor have I considered, whether all aspects of the authority's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.
- 16 I am required by section 7 of the Local Government Act 1999 to carry out an audit of the authority's best value performance plan and issue a report:
  - certifying that I have done so;
  - stating whether I believe that the plan has been prepared and published in accordance with statutory requirements set out in section 6 of the Local Government Act 1999 and statutory guidance; and
  - where relevant, making any recommendations under section 7 of the Local Government Act 1999.

### **Conclusion**

- 17 I have undertaken my audit in accordance with the Code of Audit Practice and having regard to the criteria for principal local authorities specified by the Audit Commission and published in December 2006, I am satisfied that, in all significant respects, City of York Council made proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ending 31 March 2006

## Best Value Performance Plan

- 18 I issued my statutory report on the audit of the authority’s best value performance plan for the financial year 2006/07 on 22 December 2006. I did not identify any matters to be reported to the authority and did not make any recommendations on procedures in relation to the plan.

## Certificate

- 19 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.

Mark Kirkham, District Auditor  
Audit Commission  
Kernel House  
Killingbeck Drive  
Leeds, LS14 6UF

Date

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## Appendix 5 – Management representation letter

To:

Mark Kirkham, District Auditor  
The Audit Commission  
Kernel House  
Killingbeck Drive  
Killingbeck  
Leeds LS14 6UF

### **City of York Council - Audit for the year ended 31 March 2007**

I confirm to the best of my knowledge and belief, having made appropriate enquiries of other directors and members of City of York Council, that the following representations given to you in connection with your audit of the Council's financial statements for the year ended 31 March 2007.

I acknowledge my responsibility under the relevant statutory authorities for preparing the financial statements which give a true and fair view and for making accurate representations to you.

The Council has no plans or intentions that may materially alter the carrying value or classification of assets and liabilities reflected in the financial 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 Council have been properly reflected and recorded in the accounting records. All other records and related information, including minutes of all Council meetings, have been made available to you.

### **Related party transactions**

I confirm the completeness of the information provided 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.

### **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; and,

- 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.

### **Law, regulations 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 PCT.

### **Irregularities**

I acknowledge my responsibility for the design and implementation of internal control systems to prevent and detect 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;
- communications from regulatory agencies concerning non-compliance with or deficiencies on, financial reporting practices which could have a material effect on the financial statements.

### **Post balance sheet events**

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

I confirm that the Council adopted the draft accounts at its meeting on 28th June 2007 and that they were prepared on a going concern basis.

Signed on behalf of City of York Council

Signed  
Name  
Position  
Date

Signed  
Name  
Position  
Date

## Appendix 6 – Summary of adjusted misstatements

- 1 The following misstatements were identified during the course of our audit and officers report that the financial statements will be adjusted. We bring them to your attention to assist you in fulfilling your governance responsibilities.

Adjusted misstatements - Nature of Adjustment	Value of mis-statement £'000	Entries in the accounts affected
The 2005-06 comparator value for the Statement of Total Recognised Gains and Losses does not include the capital expenditure that has not added value to the assets	£10,404	Statement of Total Recognised Gains and Losses - Fixed asset revaluation gain
Statement of Movement on General Fund Balance - Pension Cost entry has been recorded net rather than split across two headings within the Statement	£12,738 (though NIL impact on General Fund Balance)	Statement of Movement on General Fund Balance
Fixed assets include an amount for Hob Moor School - a school financed under the PFI which should not be on the Council's balance sheet	£4,120	Balance Sheet - Tangible fixed assets, Fixed asset restatement account.
Barbican centre has been included within Tangible Fixed Assets - Operational Assets. Assets that have been earmarked for disposal should be classified as Non-Operational	£765	Tangible Fixed Assets Other Land & Buildings, and Non-Operational Assets

## Appendix 7 – Value for money conclusion

- 2 The Audit Commission has published, in accordance with the Code of Audit Practice, 12 criteria on which auditors are required to reach a conclusion on the adequacy of an audited body’s arrangements for economy, efficiency and effectiveness in its use of resources.
- 3 The Code criteria are linked to the use of resources assessment (UoR) key lines of enquiry (KLoEs). A score of Level 2 or higher under the KLoEs will result in an assessment that the Council has adequate arrangements in place for the purposes of the Code criteria. The Code criteria and the linked KLoEs are show in the table below.

Code Criteria	Description	Associated UoR KLoE	VFM Conclusion (Adequate/ Not adequate)
1	The body has put in place arrangements for setting, reviewing and implementing its strategic and operational objectives.	N/A	Adequate
2	The body has put in place channels of communication with service users and other stakeholders including partners, and there are monitoring arrangements to ensure that key messages about services are taken into account.	N/A	Adequate
3	The body has put in place arrangements for monitoring and scrutiny of performance, to identify potential variances against strategic objectives, standards and targets, for taking action where necessary, and reporting to members.	N/A	Adequate
4	The body has put in place arrangements to monitor the quality of its published performance information, and to report the results to members.	LG DQ KLoEs	Adequate
5	The body has put in place arrangements to maintain a sound system of	4.2	Adequate



	internal control.		
6	The body has put in place arrangements to manage its significant business risks.	4.1	Adequate
7	The body has put in place arrangements to manage and improve value for money.	5.2	Adequate
8	The body has put in place a medium-term financial strategy, budgets and a capital programme that are soundly based and designed to deliver its strategic priorities.	2.1	Adequate
9	The body has put in place arrangements to ensure that its spending matches its available resources.	3.1	Adequate
10	The body has put in place arrangements for managing performance against budgets.	2.2	Adequate
11	The body has put in place arrangements for the management of its asset base.	2.3	Adequate
12	The body has put in place arrangements that are designed to promote and ensure probity and propriety in the conduct of its business.	4.3	Adequate

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