

AGENDA ITEM: 7

Page nos. 21- 24

Meeting	Audit Committee
Date	20 September 2007
Subject	External Auditor’s Report under International Standard on Auditing (ISA) 260 for the year 2006/07
Report of	Deputy Director for Resources & Chief Finance Officer
Summary	To consider the detailed reports from the external auditor on matters arising from the audit of the 2006/07 accounts. This includes the pension fund accounts.

Officer Contributors	Head of Strategic Finance Finance Manager (Closing & Monitoring)
Status (public or exempt)	Public
Wards affected	Not applicable
Enclosures	ISA260 report – Statement of Accounts 2006/07 (to follow)
For decision by	Audit Committee
Function of	Council
Reason for urgency / exemption from call-in (if appropriate)	Not applicable

Contact for further information: Andrew Evans, Finance Manager (020 8359 7114) or Jonathan Bunt, Head of Strategic Finance (020 8359 7249)

1 RECOMMENDATIONS

- 1.1 That the matters raised by the external auditor relating to detailed aspects of the 2006/07 accounts, including the pension accounts, audit be noted.**
- 1.2 That the officer response to matters raised by the external auditor be noted.**
- 1.3 That the Committee notes that at this stage in the audit there are no adjustments identified by the External Auditor that will not be processed by officers.**

2. RELEVANT PREVIOUS DECISIONS

- 2.1 The Statement of Accounts for 2006/07 were approved, subject to audit, by the Audit Committee on 28 June 2007 (Decision Item 9).

3. CORPORATE PRIORITIES AND POLICY CONSIDERATIONS

- 3.1 Review of reports made under the International Standard on Auditing (ISA)260 are an integral part of corporate governance.
- 3.2 The Corporate Plan includes an objective for a 'enhancing and further developing corporate governance' within 'More Choice, Better Value.

4 RISK MANAGEMENT ISSUES

- 4.1 None.

5 EQUALITIES AND DIVERSITY ISSUES

- 5.1 Accurate financial reporting is important to ensure the management of resources to enable the equitable delivery of services to all members of the community and to reduce the differential impact of the services received by all of Barnet's diverse communities.

6 FINANCIAL, STAFFING, ICT AND PROPERTY IMPLICATIONS

- 6.1 None.

7. LEGAL ISSUES

- 7.1 None.

8. CONSTITUTIONAL POWERS

- 8.1 Within the Council's Constitution, the functions of the Audit Committee are detailed and include "To consider the external auditor's annual letter, relevant reports and the report to those charged with governance".

9 BACKGROUND INFORMATION

- 9.1 In accordance with International Standard on Auditing (ISA) 260, the External Auditor is required to issue detailed reports on matters arising from the audit of the Council accounts and pension fund accounts.
- 9.2 The ISA 260 report has to be considered by "those charged with governance" before the External Auditor can sign the accounts, which has to be done by 30 September 2007.
- 9.3 The ISA 260 report contains matters raised by the auditor, his recommendations on the issues, and the management response. Any further update on these items will be given verbally at the meeting. To assist members in reviewing the external auditor's comments the Statement of Accounts 2006/07 are attached for information.

10. LIST OF BACKGROUND PAPERS

- 10.1 None

Legal: MM
CFO: JB

