

AUDIT AND GOVERNANCE COMMITTEE

30 September 2010

AUDITED STATEMENT OF ACCOUNTS 2009/2010

Report of the Director of Financial Resources

1. PURPOSE OF THE REPORT

- 1.1 To receive the Interim Annual Governance Report from the Audit Commission on the findings of the audit of the financial statements for 2009/2010 and their assessment of the Council's arrangements for securing economy, efficiency and effectiveness in its use of resources.
- 1.2 To approve the revised Annual Governance Statement for 2009/2010, which takes into account some minor amendments arising from the audit, prior to its inclusion in the amended audited Statement of Accounts.
- 1.3 To provide for approval an amended Audited Statement of Accounts for 2009/2010, which has been revised to take into account the Auditor's findings.
- 1.4 To set out for Members of the Committee reasons why the audit cannot be concluded and a final opinion and certificate cannot be provided at this time.

2. DESCRIPTION OF DECISION

- 2.1 Members are recommended to:
 - 2.1.1 Note the contents of the Interim Annual Governance Report and agree the response to the Auditor's proposed action plan.
 - 2.1.2 Approve the amended Annual Governance Statement set out in Appendix A of this report.
 - 2.1.3 Approve the amended Audited Statement of Accounts for the financial year ended 31st March 2010.

3. BACKGROUND

- 3.1 Members will be aware that the Audit Commission, as the Council's external auditors, are required to report on the final accounts, and report certain matters to Members prior to an opinion being provided on the Council's accounts.
- 3.2 To conclude the audit, a Letter of Representation is required from the Director of Financial Resources, which sets out the principles used in preparing the accounts and provides the external auditor with the necessary assurances required, before an opinion or certificate can be issued. However, the Letter of Representation is not required at this stage, as the Council has 'stopped' the right of public inspection process until advice is received on a point of law in respect of the disclosure of commercially sensitive PFI information that a member of the public has requested.
- 3.3 A new date will now have to be set by the Auditors once the legal position is clarified by the Court of Appeal on the Veolia ES v Nottinghamshire County Council case (currently this is assumed to be the end of October). The Council will be notified by the Auditor of a fresh public inspection period and a new date when local electors can ask the Auditor questions and/or raise objections to the Statement of Accounts for 2009/2010. This date is expected to be in January 2011 as the Council must provide 20 working days for the public inspection to take place and must give notice to the public of at least 14 days, prior to the commencement of the inspection period. This could be further delayed depending upon the timing of the outcome of the decision of the Court of Appeal or whether the judgement sufficiently clarifies the legal position. Members will however be kept informed of developments.
- 3.4 The Audit Commission has nevertheless continued its audit of the financial statements of the Council in accordance with the Audit Commission Act 1998, the Code of Audit Practice issued by the Audit Commission and International Standards on Auditing (ISA) issued by the Auditing Practices Board.
- 3.5 Once the Audit and Governance Committee has noted the contents of the Auditor's interim communication, the Audit Commission cannot however provide their audit opinion and certificate for the Statement of Accounts for the year ended 31st March 2010, due to the fact that the public inspection period has been stopped and the Statement of Accounts 2009/2010 are still subject to local electors challenge and objection.
- 3.6 In accordance with ISA 260, the Audit Commission has produced an Interim Annual Governance Report, in which the Auditor's opinion, at this stage, is that the financial statements present a true and fair view of the financial position of the Council, and its income and expenditure for the year ended 31st March 2010. An interim Annual Governance Report 2009/2010 is included as **Item 8a** on the Agenda as a new public inspection period is required and there is still the potential for local electors to raise objections to the Statement of Accounts

2009/2010, which the auditor may have to address. In these circumstances, the Auditor cannot issue his final Annual Governance Report on the accounts.

- 3.7 The Statement of Accounts 2009/2010 has been amended to reflect presentational adjustments following the audit. The amendments are detailed in Appendix B for member's information and the revised Statement of Accounts 2009/2010 is set out at **Item 8b** on the agenda for approval.
- 3.8 This communication is in addition to the Annual Audit and Inspection Letter, which will continue to be presented to Cabinet, Audit and Governance Committee and Council annually.

4. KEY MESSAGES

- 4.1 The full communication is reported separately but in summary shows that at this stage (subject to change for the reasons set out above) that:
- based on the work to date, the external auditors would be in a position to issue an unqualified audit opinion;
 - all non-trifling misstatements have been adjusted by management;
 - the external auditors have not identified any material weaknesses in the accounting and internal control systems but have highlighted an issue in relation to journal authorisation that officers have addressed;
 - the external auditors have referred to a number of presentational issues they identified in relation to the qualitative aspects of the Council's financial reporting, full details are set out in Appendix B to this report, but these are not considered to be significant;
 - the external auditors have not identified any matters required by other auditing standards that should be communicated to Members;
 - the external auditors have identified three matters relating to the audit that need to be brought to Members attention, which are set out in their Interim Annual Governance Report – these have been agreed and will be addressed;
 - the external auditors have reported that the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources and propose to issue an unqualified value for money conclusion in respect of 2009/2010.
- 4.2 The Audit Commission cannot at this stage provide a final opinion on the amended audited Statement of Accounts, before the 30th September 2010, as a consequence of the legal issue outlined above.
- 4.3 Once the legal position is resolved, a fresh public inspection period can be advertised and a new appointed date set for local electors to raise questions or an objection to the accounts. Once that process has been concluded, the audited and amended Statement of Accounts for

2009/2010 will be re-presented at a future meeting of this Committee for approval, where it will also receive the Letter of Representation and the Auditor's Annual Governance Report, audit opinion and certificate.

ANNUAL GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

Sunderland City Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. The Council also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

In discharging this overall responsibility, the Council is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, which includes arrangements for the management of risk.

The Council has approved and adopted a local Code of Corporate Governance which is consistent with the principles of the SOLACE/CIPFA Framework, Delivering Good Governance in Local Government. A copy of the Code is on the Council's website at <http://www.sunderland.gov.uk/CHttpHandler.ashx?id=2504&p=0> or can be obtained from the Director of Financial Resources or the Chief Solicitor.

This Statement explains how the Council has complied with the SOLACE/CIPFA Framework and also meets the requirements of regulation 4(2) of the Accounts and Audit Regulations 2003 as amended by the Accounts and Audit (Amendment) (England) Regulations 2006 in relation to the publication of a statement on internal control.

THE PURPOSE OF THE GOVERNANCE FRAMEWORK

The governance framework comprises the systems and processes, and culture and values, by which the Council is directed and controlled and its activities through which it accounts to, engages with, and leads the community. It enables the Council to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost-effective services.

The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the

risks to the achievement of the Council's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The governance framework has been in place at the Council for the year ended 31st March 2010 and up to the date of approval of the Annual Report and Statement of Accounts.

THE GOVERNANCE FRAMEWORK

There is a clear vision of the authority's purpose and intended outcomes for citizens and service users that is clearly communicated, both within the organisation and to external stakeholders:

The Sunderland Strategy 2008-2025 provides the framework for members of the Sunderland Partnership, organisations, groups of people and individuals, to work together to improve the quality of life in Sunderland by 2025. It sets out a Vision for the city and its people and how everyone will work together to achieve that Vision:

"Creating a better future for everyone in Sunderland - Sunderland will be a welcoming, internationally recognised city where people have the opportunity to fulfil their aspirations for a healthy, safe and prosperous future."

Delivery of the Vision is underpinned by the following Strategic Priorities:

- Prosperous City;
- Healthy City;
- Safe City;
- Learning City;
- Attractive and Inclusive City

Underpinning the Sunderland Strategy is a comprehensive needs analysis, Sunderland Strategy Delivery Plans, including the Local Area Agreement and a set of Local Area Plans. The Delivery Plans which have life-spans of three years, identify the short term detailed and focused targets which will help to achieve the longer term key objectives set out in the Sunderland Strategy.

The Corporate Improvement Plan (CIP) for 2009/10 to 2011/12 is the Council's overarching Service Plan containing the plans of all of the Council's Portfolios, including the estimated Revenue Budgets for the financial year and the Capital Programme for 2009/10 to 2012/13. The CIP gives a broad overview of what the Council is doing in respect of its Corporate Improvement Priorities, what actions it intends to take over the next three years.

To demonstrate the council's commitment to the continuous improvement of service delivery and the use of resources, Corporate Improvement Objectives (CIOs) have been defined:

- CIO1 Customer focused services
- CIO2 One Council
- CIO3 Efficient and effective council
- CIO4 Improving partnership working

The Strategic Priorities set out in the Sunderland Strategy and CIOs have been combined to create the council's Corporate Improvement Priorities, to provide an increased focus on improvement activity and to reflect the fact that internal and external improvement activities are inter-related with each resulting from, contributing to and dependant upon the other.

Communication of objectives to staff and stakeholders takes place through the following means:

- Wide distribution of the Corporate Improvement Plan, including on the Council's website and intranet;
- Through the Council's corporate Investors in People (IIP) processes;
- Sunrise magazine, issued to all residents.

Arrangements are in place to review the authority's vision and its implications for the authority's governance arrangements:

Through reviews by the Audit Commission and other external inspectorates the Council constantly seeks ways of securing continuous improvement. The Council has professional and objective relationships with these external inspectorates.

There are annual reviews of the local Sunderland Code of Corporate Governance to ensure that it is up to date and effective.

Arrangements exist for measuring the quality of services for users, for ensuring they are delivered in accordance with the authority's objectives and for ensuring that they represent the best use of resources:

There are clear and effective performance management arrangements including staff appraisals for Directors and key staff, which address financial responsibilities.

There is regular reporting of performance against key targets and priorities to the Council's Executive Management Team, Cabinet and Scrutiny Committees.

Services are delivered by suitably qualified / trained / experienced staff and all posts have detailed job profiles / descriptions and person specifications.

The roles and responsibilities of the executive, non-executive, scrutiny and officer functions are clearly defined and documented, with clear delegation arrangements and protocols for effective communication:

A Constitution has been adopted which sets out how the Council operates and how decisions are made, and incorporates a clear delegation scheme. The Constitution indicates responsibilities for functions and sets out how decisions are made.

A system of scrutiny is in place which allows Scrutiny Committees to:

- review and/or scrutinise decisions made or actions taken in connection with the discharge of any of the Council's functions;
- make reports and/or recommendations to the full Council and/or the executive and/or any joint or area committee in connection with the discharge of any functions;
- consider any matter affecting the area or its inhabitants; and
- exercise the right to call-in, for reconsideration, decisions made but not yet implemented by the executive and/or area committees; and
- consider Local Petitions and Councillor Calls for Action for matters within their terms of reference.
- Directorates have established delegation schemes, although these may require updating in some areas to reflect recent organisational changes.

Codes of Conduct defining the standards of behaviour for members and staff are in place, conform with appropriate ethical standards, and are communicated and embedded across the organisation:

The following are in place:

- Members' Codes of Conduct;
- Employees' Code of Conduct;
- Protocol on Member/Employee Relations;
- Protocol for Members in Relation to Development Control Matters;
- Whistleblowing Policy;
- Protocol for the use of Civic Cars;
- Protocol for Members in Relation to Licensing Matters;
- Protocol for Members and Voting Co-opted Members – Use of Council Resources and Equipment;
- Guidance for Members in Relation to the Use of Council ICT Facilities;
- Protocol for Use of Member Website;
- Data Protection: Guidance for Councillors;
- Remote Intranet/Internet Access for Members;
- Protocol in Relation to Members' Dealings with the Council;
- Registers of Interests, Gifts and Hospitality.

Standing orders, standing financial instructions, a scheme of delegation and supporting procedure notes/manuals, which are reviewed and updated as appropriate, clearly define how decisions are taken and the processes and controls required to manage risks:

The Director of Financial Resources is the designated Chief Finance Officer in accordance with Section 151 of the Local Government Act 1972 ensuring lawfulness and financial prudence of decision making, and is responsible for the proper administration of the Council's financial affairs.

The Chief Solicitor is the Council's Monitoring Officer who has maintained an up to date version of the Constitution and has endeavoured to ensure lawfulness and fairness of decision making.

The Council has in place up to date Procurement Procedure Rules and Financial Procedure Rules, which are subject to regular review.

Written procedures are in place covering financial and administrative matters, as well as HR policies and procedures. These include:

- Whistle Blowing Policy;
- Anti Fraud and Corruption Policy;
- Codes of Conduct;
- Corporate Health and Safety Policy;
- Corporate Complaints Policy;
- Corporate Procurement Strategy;
- Procurement Codes of Practice;
- Code of Practice for Partnerships;
- Treasury Management Strategy;
- Directorate / department budget management schemes.

There are robust and well embedded risk management processes in place, including;

- Member Risk Champion;
- Risk Management Policy and Strategy Statement;
- Nominated Head of Service lead for Risk Management;
- Corporate Risk Profile;
- Corporate and Directorate Risk Management Staff and Groups;
- Risk Profiles for major projects and significant partnerships;
- Risk Management Training Programme;
- Establishment and operation of a risk management fund;
- Nominated Directorate risk management champions;
- Risk Management Advisors for each Directorate.

There are comprehensive budgeting systems in place and a robust system of budgetary control, including formal quarterly and annual financial reports, which indicate financial performance against forecasts.

- Business Continuity Plans are in place, which are subject to ongoing review and development. The arrangements in place in relation to ICT disaster recovery were satisfactory overall with further enhancement required in relation to some key applications and action is being taken to address this.
- There are clearly defined capital expenditure guidelines in place.
- Appropriate project management disciplines are utilised.
- The Council participates in the National Fraud Initiative.
- The Council has adopted and implemented the requirements of the Department for Work and Pensions Security Manual for the administration of Council Tax and Housing Benefit.
- Procedures are in place to ensure that the Dedicated Schools Grant is properly allocated to and used by schools in line with the terms of grant given by the Secretary of State under section 16 of the Education Act 2002.

The authority's financial management arrangements conform to the governance requirements of the CIPFA Statement on the Role of the Chief Financial Officer in Local Government (2010).

The Director of Financial Resources fulfils this role through the following:

- Attendance at meetings of the Leadership Team, helping it to develop and implement strategy and to resource and deliver the Council's strategic objectives sustainably and in the public interest;
- Involvement in all material business decisions to ensure immediate and longer term implications, opportunities and risks are fully considered;
- Alignment of medium term business and financial planning processes;
- Money is safeguarded and used appropriately, economically, efficiently and effectively;
- Ensuring that the finance function is resources to be fit for purpose;

The person specification for the post of Director of Financial Resources requires that the post holder be professionally qualified and suitably experienced.

The core functions of an audit committee, as identified in CIPFA's Audit Committees – Practical Guidance for Local Authorities, are undertaken by members.

The Council has an Audit and Governance Committee which, as well as approving the Authority's Statement of Accounts, undertakes an assurance and advisory role to:

- consider the effectiveness of the authority's corporate governance arrangements, risk management arrangements, the control environment and associated anti-fraud and corruption arrangements and seek assurance that action is being taken on risk-related issues identified by auditors and inspectors;
- be satisfied that the authority's assurance statements, including the Annual Governance Statement, properly reflect the risk environment and any actions required to improve it;
- receive and consider (but not direct) internal audit's strategy, plan and monitor performance;
- receive and consider the external audit plan;
- review a summary of internal audits, the main issues arising, and seek assurance that action has been taken where necessary;
- receive and consider the annual report of internal audit;
- consider the reports of external audit and inspection agencies, including the Annual Audit and Inspection Letter;
- ensure that there are effective relationships between external and internal audit, inspection agencies and other relevant bodies, and that the value of the audit process is actively promoted;
- review the external auditor's opinions and reports to members, and monitor management action in response to the issues raised by external audit; and
- make recommendations to Cabinet or Council as appropriate.

Arrangements exist to ensure compliance with relevant laws and regulations, internal policies and procedures, and that expenditure is lawful. All Cabinet Reports are considered for legal issues before submission to members:

The Chief Solicitor is the Council's designated Monitoring Officer and a protocol is in place with all Chief Officers, to safeguard the legality of all Council activities.

The Council maintains an internal audit service. An independent annual review of its effectiveness is undertaken which concluded that it operated in accordance with professional standards.

Arrangements for whistle-blowing and for receiving and investigating complaints from the public are in place and are well publicised:

The Council is committed to establishing and maintaining effective reporting arrangements to ensure that, where an individual, whether an employee of the Council, a Councillor, or any member of the public, has concerns regarding the conduct of any aspect of the Council's business, they can do so through a variety of avenues, promptly and in a straight forward way.

The framework in place to ensure the aims of this Policy are met are set out in two 'Whistle Blowing Policy Arrangements' documents, one for Council workers and one for members of the public.

Monitoring records held by the Chief Solicitor reveal that the whistle blowing arrangements are being used by both staff and the public, and that the Council is responding appropriately. The whistle blowing arrangements have assisted with the maintenance of a strong regime of internal control.

Arrangements exist for identifying the development needs of members and senior officers in relation to their strategic roles:

The Council has a Members Training and Development Policy and Programme in place which sets out a clear commitment to Members to provide a range of training and development opportunities which will improve their knowledge, skills and abilities in their individual or collective roles in meeting Council strategic objectives. In addition Members have access to a Personal Development Plan, which sets out the skills, knowledge, expertise and competence required to carry out the role as an Elected Member and confirms their personal responsibility for continuous professional development.

The Elected Member Training and Development Strategy aims to:

- provide a comprehensive Member Development programme;
- ensure that all newly Elected Members are properly inducted into the Council;
- encourage all Members to undertake a personal development plan to identify their individual needs and learning styles;
- ensure that all emerging needs for both individuals and across the board are identified and addressed;

- ensure that resources available for Member Development are effectively used.

A programme is in place in order to support Councillors in fulfilling their community leadership role.

The Council has a HR Strategy that identifies that the need to enable and support the organisation in managing the performance of all of its employees through effective policies, procedures and working practices is key to ensuring that the organisation meets the needs of the community. This includes assessing ability against requirements of the role, annual appraisal focusing on strengths and highlighting areas of weakness, job related training, and ongoing evaluation and includes the extent to which an employee understands and supports the values of the Council.

Clear channels of communication have been established with all sections of the community and other stakeholders, ensuring accountability and encouraging open consultation.

The Council has a Community Consultation Strategy which aims to ensure that consultation activity is effectively co-ordinated across the Council and with partner agencies, impacts on service delivery, and is delivered to a high standard.

The strategy is complemented by the Hard to Reach Framework which outlines the council's approach to consulting with minority and vulnerable sectors of society.

Governance arrangements with respect to partnerships and other group working incorporate good practice as identified by the Audit Commission's report on the governance of partnerships, and are reflected in the authority's overall governance arrangements:

The Council has published a Code of Practice for Partnerships which includes a template for Partnership Agreements and a range of checklists to ensure key risk areas are considered and addressed. The Code is designed to provide a corporate framework for all staff involved in considering new partnership working, and to assist Members and officers to review existing arrangements.

A Register of Partnerships is maintained. Significance of partnerships is measured using the Partnerships Significance Assessment Scorecard recommended by CIPFA.

An annual report of those partnerships classified as significant is presented to Cabinet.

REVIEW OF EFFECTIVENESS

The Council has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The review of the effectiveness is informed by feedback from Councillors and the work of all senior managers within the authority who have responsibility for the development and maintenance of the governance environment, Internal Audit Annual Report, and also by comments made by the external auditors and other review agencies and inspectorates.

The process that has been applied in maintaining and reviewing the effectiveness of the system of internal control includes the following:

The role of the Council:

- Councillors have participated in the annual review of the Council's Corporate Governance arrangements;
- The Leader of the Council, the Chief Executive and the Director of Financial Resources have overseen the review and signed the Annual Governance Statement.

The role of the executive:

- The findings of the Annual Governance Review have been reported to the Executive Management Team and Cabinet for their consideration and approval of the Annual Governance Statement.

The role of the Audit and Governance Committee:

- The findings of the Annual Governance Review have been reported to Audit and Governance Committee. Under their Terms of Reference the Audit and Governance Committee have satisfied themselves that the authority's assurance statements, including the Annual Governance Statement, properly reflect the risk environment and any actions required to improve it.

There is a system of scrutiny which allows Review Committees to:

- review decisions made or actions taken in connection with the discharge of any of the Council's functions;
- make reports and recommendations to the full Council, the executive, or any joint or area committee in connection with the discharge of any functions;
- consider any matter affecting the area or its inhabitants; and
- exercise the right to call-in, for reconsideration, decisions made but not yet implemented.

The role of the Council's Standards Committee includes the following:

- promoting and maintaining high standards of conduct by councillors, co-opted members and church and parent governor representatives;
- monitoring the operation of the Members' Code of Conduct;
- monitoring the operation of the Council's Anti-Fraud and Corruption Policy so far as it relates to the actions of Members of the Council;
- considering reports and complaints relating to the conduct of Members of the Council;
- supporting the Monitoring Officer in his role.

The Director of Financial Resources has directed, co-ordinated and overseen the review.

All Heads of Service have participated in the annual governance review through carrying out self-assessments relating to their areas of responsibility.

All Chief Officers have provided Controls Assurance Statements relating to their area of responsibility, having considered the detailed self-assessments from their Heads of Service.

Internal audit planning processes include consultation with all Chief Officers, reviews of the Corporate Improvement Plan and the Corporate Risk Profile. Audit work is risk based audit work and includes risks in relation to the achievement of service objectives, and Internal Audit Services carries out regular systematic auditing of key financial and non-financial systems. The Audit Commission have conducted a review of the effectiveness of Internal Audit Services and concluded that there are robust arrangements in place to comply with the standards of the 2006 CIPFA Code of Practice for Internal Audit.

The Organisational Assessment of the **latest Comprehensive** Area Assessment states that:

- Overall, Sunderland City Council performs well.
- The Council's **2008/2009** use of resources **was** good and scored 3 out of 4 overall.
- The Council manages its finances well, particularly financial planning and there have been no significant overspends in recent years. The Council has appropriate levels of balances and reserves.
- Governance of the business is good.
- Risk Management is excellent and has been used to especially good effect on the Building Schools for the Future project and in preparing the medium term financial plan.
- Despite strong leadership and a number of ongoing projects, there is still a need to ensure the careful use of natural resources is fully included in all of the Council's activities and plans.
- The Council manages performance well, scoring 3 out of 4.

- The Council with partners have developed a clear long term vision for Sunderland in the year 2025. This is based on a good understanding of needs and priorities of residents. The Council's Corporate Improvement Plan reflects the Sunderland Partnership's priorities for the City, set out in the Sunderland Strategy, and the Council has also identified four corporate improvement objectives to ensure a greater focus on efficiency and effectiveness.

Findings of external inspectorates are collated / monitored by the Performance Improvement Team.

Cabinet and the Audit and Governance Committee have advised us *that* the review of the effectiveness of the governance framework **concluded that the Council continues to have robust and effective governance and control arrangements in place**. An improvement plan has been agreed for the continuous improvement of the Council's corporate governance and internal control arrangements.

We propose over the coming year to take steps to implement the improvement plan to further enhance the Council's governance arrangements. We are satisfied that these steps will address the need for improvements that were identified in the review and will monitor their implementation and operation as part of the next annual review.

Paul Watson
Leader of the Council

Dave Smith
Chief Executive

George Blyth
Director of Financial
Resources

Dated 30th September 2010

Amendments to the draft accounts

2009/2010 Figures

Page 48 – Cash Flow Statement – The increase in other liquid deposits in respect of NNDR had been calculated on an accruals basis instead of a cash basis. This resulted in an adjustment of £4.843m

Page 127 – Collection Fund – The adjustment for write off's had been included twice in the Cost of Collection figure. This has a direct effect on the Payments to the Pool figure resulting in an adjustment of £0.944m.

2008/2009 Comparative Figures

Page 20 - The Certificate of the Director of Financial Resources was amended from 'presents fairly' to 'presenting a true and fair view'.

Pages 36 – 43 - The Annual Governance Statement needed to be amended to clarify some issues.

Page 44 – Balance Sheet – The restated 2008/2009 Balance Sheet infrastructure assets and the corresponding figure in Note 1 (Page 58) have been increased by £0.491m. An amendment of £0.491m was also made to the Note 1 restated debtors figure (Page 58).

Page 44 – Cash Flow Statement – The restated 2008/2009 Cash Flow Statement, Increase in Other Liquid Resources figure in respect of NNDR had been calculated on an accruals basis instead of a cash basis. This resulted in an adjustment of £1.004m.

The following restated 2008/2009 figures in Note 1 have been amended:

- Page 57 – General Fund Balance carried forward adjusted by £0.285m
- Page 60 – Net Cash Flows from revenue Activities adjusted by £6.862m.
- Page 60 – Interest Paid adjusted by £3.388m.

Page 62 - Note 2 - Building Regulations expenditure was overstated by £0.3m

Page 68 - Note 7a - Did not include all pay bandings and included some incorrect numbers in the details disclosed.

Page 70 - Note 7a – Did not include the prior year comparative figures for senior officers' remuneration.

Page 73 - Note 10 - Highways Maintenance agency costs were understated by £5.100m.

Page 73 - Note 10 - Other Payments for agency costs were overstated by £1.000m.

Page 84 – Note 21 – The restated 2008/09 Capital Financing Requirement required a reclassification within the statement of £1,160k to reflect the prior year MRP adjustment.

Minor typographical errors and omissions

A number of minor typographical errors and omissions have been amended.