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06 September 2007

To: All Members of the General Purposes Committee

Dear Member,

General Purposes Committee - Tuesday, 11th September, 2007

I attach a copy of the following reports for the above-mentioned meeting which were not available at the time of collation of the agenda:

**8. ANNUAL GOVERNANCE REPORT – TO CONSIDER THE STATUTORY REPORT OF THE AUDIT COMMISSION (PAGES 1 - 26)**

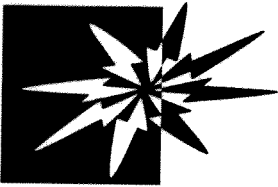
(Report of the Acting Head of Corporate Finance)

To present the statutory Annual Governance Report of the Audit Commission which reports on their annual audit of the Council's statutory accounts, Value for Money and other relevant information.

Yours sincerely

Jeremy Williams  
Principal Committee Coordinator

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**Haringey** Council

Agenda Item

**General Purposes Committee**

**On 11 September 2007**

Report title: **Annual Governance Report – to consider the statutory report of the Audit Commission**

Report of: **Acting Director of Finance**

**Ward(s) affected:** All

**Report for:** Decision

**1. Purpose**

1.1 To present the statutory Annual Governance Report of the Audit Commission which reports on their annual audit of the Council's statutory accounts, Value for Money and other relevant information.

**2. Recommendations**

- 2.1 That the Committee note the contents of this report and any further verbal updates given at the meeting, along with any actions proposed that arise from the statutory report of the Audit Commission.
- 2.2 That delegated authority is given to the Acting Director of Finance, in consultation with the Chair of this Committee, to agree any final issues with the Audit Commission that arise after this report date, in order to ensure the sign-off of the accounts occurs by the 30<sup>th</sup> September 2007 as is required.

**Report authorised by: Julie Parker –Director of Corporate Resources**

*J. Parker*

**Contact officer: Graham Oliver – Head of Finance –Accounting and Control  
Telephone 020 8489 3725**

### **3. Executive Summary**

3.1 The statutory report of the Audit Commission on certain matters relating to the Council's governance responsibilities needs to be considered before a final opinion of the Council's financial statements for 2006/07 is given and a concluding statement on the Council's arrangements for securing economy, effectiveness and efficiency in the use of resources. The actions proposed arising from the report are detailed.

### **4. Reasons for any change in policy or for new policy development (if applicable)**

4.1 None.

### **5. Local Government (Access to Information) Act 1985**

**The following background papers were used in the preparation of this report:**

Report of Director of Finance to General Purposes Committee on 28 June 2006 – Statement of Accounts 2006/07.

### **6. Background**

- 6.1 The purpose of this report is for the Audit Commission to present certain matters relating to their audit of the Council's financial statements 2006/07 and their review of the Council's use of resources. This reporting requirement is in accordance with the Audit Commission's statutory Code of Practice for Local Government bodies. It requires auditors to report to those charged with governance before the audit of the accounts is finalised.
- 6.2 The attached report from the Audit Commission sets out the findings of the auditors so far under various headings.
- 6.3 We have worked closely with the Audit Commission to improve our 2006/07 accounts which has included a jointly agreed action plan, arising from the 2005/06 audit, training sessions to finance staff to ensure improvements in the accounts closure process and working closer together throughout the accounts closure period, and the audit process, to ensure a smooth and efficient audit.
- 6.4 Over the past few years considerable efforts have been made to ensure that any items reported to this Committee by the auditors have been rectified and

no new items appearing, whilst also adhering to the tighter closing deadlines for each of the past three years.

- 6.5 For 2006/07 the report from the Audit Commission also includes comments on the Council's Use of Resources and a conclusion on whether the Councils has adequate arrangements for delivering value for money.
- 6.6 For 2006/07 there are no significant items being reported on by the Audit Commission.

### **7. Annual Governance Report**

- 7.1.1 The detailed Annual Governance report from the Audit Commission is attached.
- 7.1.2 Due to the audit of the accounts still being ongoing the Audit Commission are not in a position to specifically provide any action plan from the audit or detail any amendments. A verbal update will be given at the meeting to bring members of this committee up to date on progress made in between this report and the meeting.
- 7.1.3 Once the audit has been concluded, and any comments and recommendations from the auditors have been received, these will be reviewed and an action plan drawn up. This will be reported back to this committee at a later date.

### **8. Next Steps**

- 8.1 Following on from the conclusion of the audit, and issuing of any comments, observations or recommendations, the Audit Commission will ask for a written response to the comments made from the Acting Director of Finance. The Acting Director of Finance will respond, in consultation with the Chair of this committee.
- 8.2 The Audit Commission is required to give their opinion on the accounts by 30 September so any outstanding work on the audit needs to be completed before then.
- 8.3 The Acting Director of Finance is required to sign a letter of representation to acknowledge the responsibility for the fair presentation of the financial statements and as audit evidence on matters material to the financial statements. A proposed Audit Commission draft of this letter is contained in appendix 6 of their report.
- 8.4 The Audit and Inspection Letter needs to be completed and agreed with officers and the Leader of the Council by 31 January. It should then be made available to all Councillors and reported to an appropriate Member meeting. The final letter will contain references to the final opinion and a summary of the Annual Governance report issues.

**9. Financial Implications**

- 9.1 There are no direct financial implications arising from the recommendations in this report; however, any adjustments to the accounts that may be required as a result of this process will be taken into account in the future financial planning process.

**10. Recommendations**

- 10.1 That the Committee note the contents of this report and any further verbal updates given at the meeting, along with any actions proposed that arise from the statutory report of the Audit Commission.
- 10.2 That delegated authority is given to the Chair of this committee and the Acting Director of Finance to agree any final issues with the Audit Commission that arise after this report date, in order to ensure the sign-off of the accounts occurs by the 30<sup>th</sup> September 2007.

**11. Head of Legal Services comments**

- 11.1 The report reflects the legal requirements relating to the sign off of the Council's accounts by the 30 September deadline.
- 11.2 Any delegated authority to agree final issues with the Audit Commission must legally be granted to an officer although it is appropriate for the Chair to be consulted.

Annual Governance Report

Date

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# Annual Governance Report

London Borough of Haringey

Audit 2006/07

- Audit Commission descriptor to be inserted by Publishing-

Document Control

Author Michael Haworth-Maden

Filename LBH Draft Annual Governance Report 3 September 07

### **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.

### **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 0845 056 0566.

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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 General Purposes Committee) at the time they are considering the financial statements.
- 2 In preparing our report, the Code requires us to comply with the requirements of International Standard 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 1.
- 4 This report has been prepared for presentation to the General Purposes Committee on 11 September 2007. Members are invited to:
  - consider the matters raised before the financial statements are approved; and
  - note the representation letter on behalf of the Council and those charged with governance before we issue our opinion.
- 5 Our work during the year was performed in line with the plan that we presented to the Audit Committee on 12 June 2006. We have issued separate reports during the year having completed specific aspects of our programme, which are listed in Appendix 2.

## Key messages

- 6 Our work on the financial statements is in progress. We will provide the General Purposes Committee with a verbal update on progress on 11 September 2007. We will raise any significant issues arising from the completion of our work thereafter with the Chair of the Committee and the Acting Director of Finance. We aim to issue the audit opinion by 30 September 2007 (a draft report is attached at Appendix 3).
- 7 Our work on the Council's arrangements to secure economy, efficiency and effectiveness in its use of resources is now complete. We propose issuing an unqualified conclusion on the Council's arrangements by 30 September 2007 (a draft report is attached at Appendix 3).
- 8 The Council takes 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

- 9 Our work on the financial statements is in progress. We are required to report to you:
- unadjusted misstatements;
  - adjustments, where we consider them relevant to your wider governance responsibilities; and
  - qualitative aspects of accounting practices.
- 10 We will provide a verbal update on any relevant issues on 11 September 2007.
- 11 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.
- 12 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.
- 13 A draft letter of representation has been attached as Appendix 4 because the letter needs to be signed by the Council as close as possible to the opinion date. This may be subject to amendment as our work is finalised. We would, however, expect the Council's letter of representation to cover the issues included in the Appendix, as a minimum.

### Systems of internal control

- 14 As part of our audit, we consider the systems of accounting and financial control and report to you any material weaknesses identified. Based on our work to date, there are no matters to report.
- 15 We do not provide a comprehensive statement of all weaknesses that may exist in internal control or of all improvements that may be made, but have addressed only those matters that have come to our attention as a result of the audit procedures we have performed.
- 16 We are also reviewing 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 to date, but we will provide an update on 11 September 2007.

## Objection to the 2004/05 accounts

- 17 Our work is continuing on coroners' costs, where we have received an objection to the 2004/05 financial statements. As a result, we have not yet issued certificates to conclude the audits of 2004/05 and 2005/06. We expect to make a decision on the objection shortly.

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## Use of resources

- 18 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). Our value for money conclusion is given on the arrangements in place during 2006/07.
- 19 In meeting this responsibility, we review evidence that is relevant to the Council's corporate performance management and financial management arrangements. Our conclusion is supported by our:
- use of resources assessment;
  - data quality work;
  - review of the Council's Best Value Performance Plan (BVPP); and
  - ongoing performance reviews and inspections, including the corporate assessment.
- 20 We have now completed our work in order to form a conclusion in relation to value for money. We expect to issue an unqualified value for money conclusion and a draft is attached at Appendix 3. Details of our conclusion for each of the criteria specified by the Audit Commission are set out in Appendix 5.
- 21 We will provide an update, together with our recommendations, in our Annual Audit and Inspection Letter, which is due in March 2008.

### Use of resources assessment

- 22 Our work in reaching the value for money conclusion is integrated with our work on the use of resources assessment. The use of resources assessment is a qualitative assessment of the effectiveness of the Council's arrangements to secure economy, efficiency and effectiveness in its use of resources. The five areas we make assessments on are: financial reporting, financial management, financial standing, internal control and value for money.
- 23 Issues arising from our use of resources assessment in 2006 were reported in our annual audit and inspection letter issued in March 2007. The 2007 use of resources assessment is currently in progress and will be reported to the Council in December 2007. We are not aware of any issues arising from this work that could affect our value for money conclusion for 2006/07.

### Data quality

- 24 Our work on data quality in 2007 is currently in progress and will not be complete until October. Our audit on data quality in 2006 found that overall management arrangements for data quality were robust.

## **BVPP**

- 25 Our work in respect of the 2006/07 BVPP was reported in the 2006 annual audit and inspection letter issued in March 2007. No recommendations were made to the Audit Commission or the Secretary of State.

## **Ongoing performance reviews and inspections**

- 26 We have also drawn on other relevant work when forming our conclusion, including the corporate assessment 2006. Our detailed corporate assessment findings and recommendations were published in October 2006. The Council is taking forward the recommendations made and integrating the actions arising into its improvement planning processes.
- 27 Other relevant performance and inspection work is highlighted in Appendix 2.

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## Audit fee update

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

	<b>Plan 2006/07</b>	<b>Actual 2006/07</b>
Financial statements and Statement on Internal Control	£345,000	£345,000
Use of Resources	£142,000	£142,000
Total Audit Fees	£483,000	£483,000
Grants certification work	£115,000	See paragraph 30 below.

- 29 The analysis above shows that our audit fee has been contained within the totals you have already agreed.
- 30 Our grant certification work for 2006/07 is ongoing. The outturn of fees for this work will be reported in the annual audit and inspection letter.
- 31 The outturn on inspection fees will be reported in the annual audit and inspection letter 2007.



## Appendix 1 – 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 2 – Audit and inspection reports issued

<b>Planned output</b>	<b>Planned date of issue</b>	<b>Actual date of issue</b>
Audit plan	April 2006	April 2006
BVPP	December 2006	December 2006
Use of resources assessment 2006	December 2006	December 2006
Data quality 2006	January 2007	January 2007
Governance in partnerships	January 2007	January 2007
Direction of travel 2006	February 2007	February 2007
CPA scorecard 2006	February 2007	February 2007
Supporting people	February 2007	February 2007
ALMO	August 2007	August 2007
Annual governance report	September 2007	September 2007
Opinion on financial statements	September 2007	
Final accounts memorandum	October 2007	
Annual audit and inspection letter	March 2008	

## Appendix 3 – Proposed auditor's report

### Independent auditor's report to the Members of Haringey London Borough Council

#### Opinion on the financial statements

I have audited the financial statements and pension fund accounts of Haringey London Borough Council and its Group for the year ended 31 March 2007 under the Audit Commission Act 1998. The financial statements comprise the Income and Expenditure Account, Statement of 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, the Group Accounts and the related notes. The pension fund accounts comprise the Fund Account, the Net Asset Statement, and the related notes. The financial statements and pension fund accounts have been prepared under the accounting policies set out within them.

This report is made solely to Haringey London Borough 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

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.

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 financial statements and the pension fund accounts 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; and

- the financial transactions of its pension fund during the year and the amount and disposition of the fund’s assets and liabilities, other than liabilities to pay pensions and other benefits after the end of the scheme year.

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.

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 Explanatory Foreword. 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**

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.

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**

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 and its Group as at 31 March 2007 and its income and expenditure for the year then ended; and
- the pension fund accounts present fairly, in accordance with the Statement of Recommended Practice on Local Authority Accounting in the United Kingdom 2006, the financial transactions of the Pension Fund during the year ended 31 March 2007, and the amount and disposition of the fund's assets and liabilities as at 31 March 2007, other than liabilities to pay pensions and other benefits after the end of the scheme year.

Michael Haworth-Maden  
District Auditor  
Audit Commission  
1st Floor, Millbank Tower  
Millbank, London  
SW1P 4HQ

xx September 2007

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

### **Council's responsibilities**

The Council 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.

Under the Local Government Act 1999, the Council is required to prepare and publish a best value performance plan summarising the Council'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**

I am required by the Audit Commission Act 1998 to be satisfied that proper arrangements have been made by the Council 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 Council has made such proper arrangements. I am not required to consider, nor have I considered, whether all aspects of the Council's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

I am required by section 7 of the Local Government Act 1999 to carry out an audit of the Council'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

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, Haringey London Borough Council made proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2007.

## Best Value Performance Plan

I issued my statutory report on the audit of the Council's best value performance plan for the financial year 2006/07 on 21 December 2006. I did not identify any matters to be reported to the Council and did not make any recommendations on procedures in relation to the plan.

## Certificate

The audit cannot be formally concluded and an audit certificate issued until I have resolved an objection to Haringey London Borough Council's accounts for 2004/05. I am satisfied that this matter does not have a material effect on the financial statements.

Michael Haworth-Maden  
District Auditor  
Audit Commission  
1st Floor, Millbank Tower  
Millbank, London  
SW1P 4HQ

Xx September 2007

## Appendix 4 – Management representation letter

Draft management representation letter (ISA+580)

Michael Haworth-Maden  
District Auditor  
The Audit Commission  
1st Floor, Millbank Tower  
Millbank, London  
SW1P 4HQ

### London Borough of Haringey - Audit for the year ended 31 March 2007

I confirm to the best of my knowledge and belief, having made appropriate enquiries of other [insert relevant details e.g.; directors, officials, officers] of the London Borough of Haringey, 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 present fairly and for making accurate representations to you.

#### Specific representations

- [to be reviewed]
- [any Group representations to be reviewed].

#### Unfunded liabilities

There are no other material amounts relating to unfunded liabilities, curtailments or settlements of past service costs relating to pension provision other than those which have been properly recorded and disclosed in the financial statements.

#### Asset values

The London Borough of Haringey 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 London Borough of Haringey have been properly reflected and recorded in the accounting records. All other records and related information, including minutes of all public members' 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;
- 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; and
- there is no change to the position regarding single status.

## 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 London Borough of Haringey.

## 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 approval of the financial statements by Members of the General Purposes Committee on 28 June 2007, no additional significant post balance sheet events have occurred which would require additional adjustment or disclosure in the financial statements.

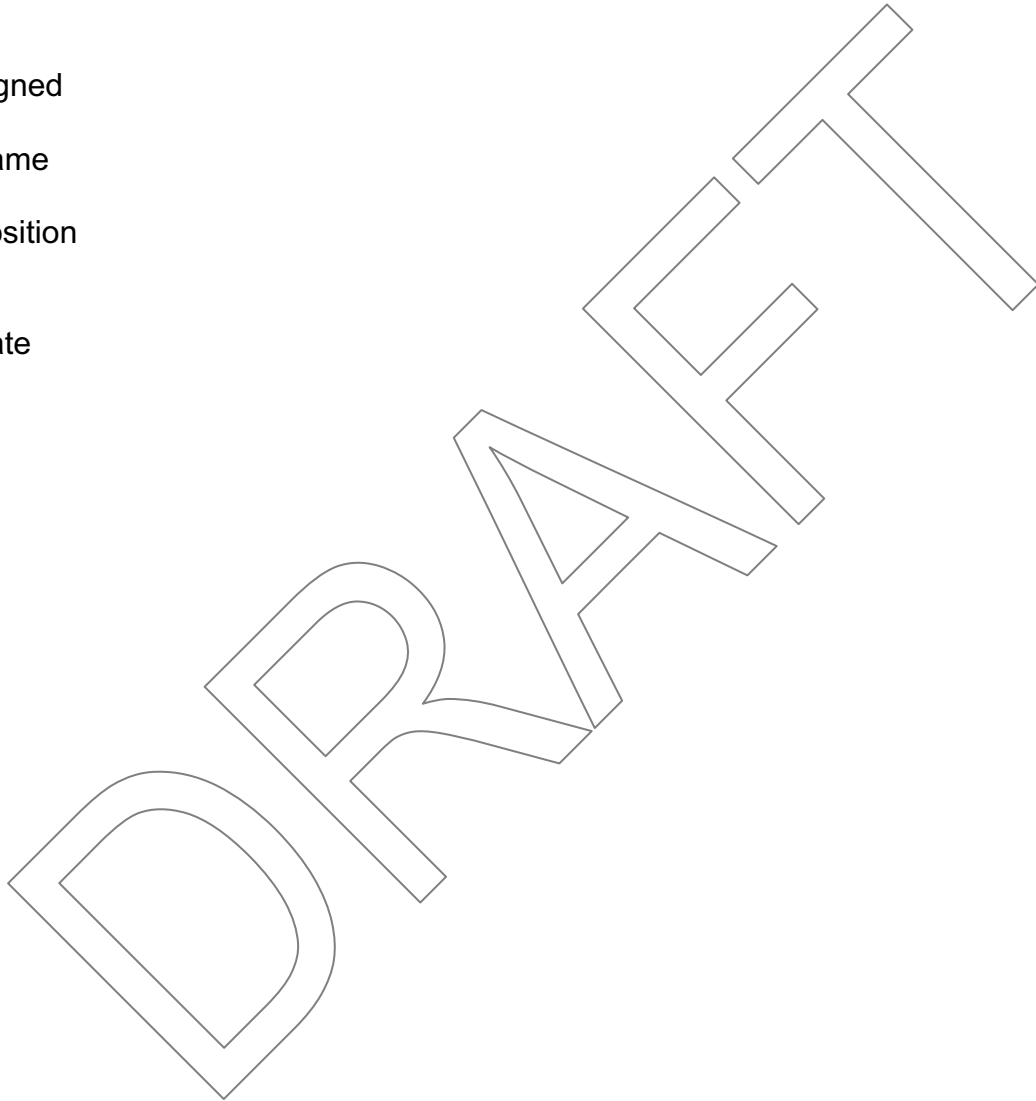
Signed on behalf of the London Borough of Haringey

Signed

Name

Position

Date



## Appendix 5 – Value for money conclusion

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.

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	UoR Score 2006	VFM Conclusion
1	The body has put in place arrangements for setting, reviewing and implementing its strategic and operational objectives.	N/A	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	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	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	N/A	Adequate
5	The body has put in place arrangements to maintain a sound system of internal control.	4.2	3	Adequate
6	The body has put in place arrangements to manage its significant	4.1	2	Adequate

	business risks.				
7	The body has put in place arrangements to manage and improve value for money.	5.2	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	3		Adequate
9	The body has put in place arrangements to ensure that its spending matches its available resources.	3.1	3		Adequate
10	The body has put in place arrangements for managing performance against budgets.	2.2	2		Adequate
11	The body has put in place arrangements for the management of its asset base.	2.3	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	3		Adequate

