

Annual

Governance

Report

Chorley Borough Council

Audit 2009/10

Date September 2010

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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.
-

Ladies and Gentlemen

2009/10 Annual Governance Report

I am pleased to present the final version of my report on the results of my audit work for 2009/10.

I have discussed and agreed the report with the Director of Transformation.

My report sets out the key issues that you should consider before I complete the audit.

It asks you to:

- consider the matters raised in the report before approving the financial statements (pages 7 to 9);
- take note of the adjustments to the financial statements set out in this report (Appendix 2);
- approve the letter of representation on behalf of the Council before I issue my opinion and conclusion (Appendix 3) ; and
- note our findings in relation to the Council's value for money arrangements (Appendix 4)

Yours faithfully

Fiona Blatcher

Engagement Lead

23rd September 2010

Key messages

This report summarises the findings from the 2009/10 audit which is substantially complete. It includes the messages arising from my audit of your financial statements and the results of the work I have undertaken to assess your arrangements to secure value for money in your use of resources.

Financial statements	Results	Page
Unqualified audit opinion	Yes	7
Financial statements free from material error	Yes	7-9
Value for money	Results	Page
Adequate arrangements to secure value for money	Yes	10-12

Audit opinion

- 1 My 2009/10 audit is now substantially complete and I expect to issue an unqualified opinion on 30th September 2010.

Financial statements

- 2 The draft financial statements were produced ahead of the target date of 30 June 2010. My audit team worked closely with officers in carrying out the audit. The working papers supporting the Statement of Accounts were clear and of a good standard. I would like to thank officers for the prompt and efficient manner in which they dealt with our queries.
- 3 The issues I have identified from my audit mainly relate to classification issues and disclosure notes and are summarised in Appendix 2. The changes made have no overall impact on the financial position of the Council.

Value for money

- 4 I am required to assess whether the Council has put in place adequate arrangements for securing economy, efficiency and effectiveness in its use of resources. I propose to issue an unqualified conclusion in this respect. The Council has continued its track record of high performance. During 2009/10, in what has been a particularly difficult economic environment, the Council has continued to deliver significant efficiencies whilst achieving large increases in customer satisfaction scores as evidenced in the output from the 2010 Place Survey. The Council's contingency planning means that it is well placed to face the financial challenges ahead.

Independence

- 5 I can confirm that the audit has been carried out in accordance with the Audit Commission's policies on integrity, objectivity and independence. In fact, one member of our audit team who was involved in the early work on Use of Resources did not assess the Council's Risk Management and Governance arrangements due to a declared personal interest.

Next steps

This report identifies the key messages that you should consider before I issue my financial statements opinion, value for money conclusion, and audit closure certificate. It includes only matters of governance interest that have come to my attention in performing my audit. My audit is not designed to identify all matters that might be relevant to you.

6 I ask the Audit Committee to:

- consider the matters raised in the report before approving the financial statements (pages 7 to 9);
- take note of the adjustments to the financial statements which are set out in this report (Appendix 2);
- approve the letter of representation on behalf of the Council before I issue my opinion and conclusion (Appendix 3) ; and
- note our findings in relation to the Council's value for money arrangements (Appendix 4)

Financial statements

The Council's financial statements and annual governance statement are important means by which the Council accounts for its stewardship of public funds. As Council members you have final responsibility for these statements. It is important that you consider my findings before you adopt the financial statements and the annual governance statement.

Opinion on the financial statements

- 7 I have now substantially completed my audit of your financial statements and I plan to issue an audit report including an unqualified opinion on the financial statements. Appendix 1 contains a copy of my draft audit report.

Key areas of judgement and audit risk

- 8 In planning my audit I have identified specific risks and areas of judgement that I have considered as part of my audit. My findings are set out in Table 1.

Table 1 Key areas of judgement and audit risk

Issue or risk	Finding
2009 SORP - changes in accounting requirements may not be properly reflected in the financial statements	My audit included specific testing around the new requirements for accounting for council tax and NNDR income and the enhanced disclosures required for senior officers' remuneration. This work resulted in me requesting a number of amendments be made to the original accounts. I am satisfied that the amended accounts now meet the requirements of the 2009 SORP.
Financial Ledger journals completed by the respective accountants are not independently authorised or reviewed.	I reviewed all material year end journal and I am satisfied that they were reasonable and accurate
The recent management restructure exercise had a material impact on some entries in the financial statements.	I reviewed the process followed by the Council in calculating redundancy and severance payments. I am satisfied these are valid and correctly reflected in the

Issue or risk	Finding
	financial statements.
The Council will continue to face increased financial pressures linked to the economic downturn	<p>I reviewed the Council's plans for monitoring and managing the financial position as part of my work on use of resources. I am satisfied that the Council is taking appropriate steps to address the financial challenges it faces.</p> <p>I have also conducted sample testing of transactions before and after the year end to confirm that they have been appropriately charged to the correct year of account.</p>
The 2009 SORP includes early adoption of IFRIC 12 relating to PFI arrangements and service concessions. This requires the Council to review contractual arrangements to identify relevant schemes.	I reviewed the actions taken by the Council to identify relevant schemes and I am satisfied that Chorley does not have any relevant schemes.
The implementation of International Financial Reporting Standards to local government accounts from 2010/11 will require forward planning to ensure the required information is available to enable an efficient transition to the new financial reporting requirements.	I have liaised with key finance staff on the key changes required and the plans in place to address them. I have also undertaken a number of snap surveys on the Council's progress towards IFRS where I assessed the Council as making good progress and on track to deliver against its timetable.

Errors in the financial statements

- 9 A summary of the issues brought to the Audit Committee's attention is shown in Appendix 2. A small number of non-material errors were identified during the course of the audit. All of these have been amended for. In addition, following a government announcement about the way in which pension increases will be calculated in future, a post balance sheet event disclosure note has been added to the accounts. None of the amendments made impact on the financial position of the Council.

Letter of representation

- 10 Before I issue my opinion, auditing standards require me to ask you and management for written representations about your financial statements and governance arrangements. Appendix 3 contains the draft letter of representation.

Value for money

I am required to decide whether the Council put in place satisfactory corporate arrangements for securing economy, efficiency and effectiveness in its use of resources. This is known as the value for money conclusion.

Value for money conclusion

- 11** I assess your arrangements to secure economy, efficiency and effectiveness in your use of resources against criteria specified by the Audit Commission. I have shown my conclusions on each of the areas in Appendix 4.
- 12** I intend to issue an unqualified conclusion stating that the Council had adequate arrangements to secure economy, efficiency and effectiveness in the use of resources. Appendix 1 contains my draft report.
- 13** In the early part of 2010, the Audit Commission carried out work at the Council to update its annual Use of Resources assessment. Following the announcement in May 2010 of the intended abolition of CAA, the Commission decided that scored Use of Resources assessments would no longer be issued. We nevertheless place reliance on work undertaken for Use of Resources to support our opinion on whether the Council has adequate arrangements in place to deliver value for money in its use of resources – known as the VFM Conclusion. The following paragraphs provide feedback on our assessment of the arrangements in place which we have considered in reaching our VFM Conclusion at the 2009/10 audit.

Managing Finances

- 14** The Council continues to manage its finances well. Financial planning supports the delivery of corporate priorities. This has enabled resources to focus on neighbourhoods and priority areas – such as business start-ups and community safety – leading to improved outcomes. The Council’s medium-term financial plans are based on realistic assumptions. It consults regularly with local residents and stakeholders to ensure their views are reflected when setting priorities and allocating resources. For example, an extra £60,000 has been allocated to street cleaning in the 2010/11 budget and council tax levels have been frozen.
- 15** The Council has a thorough understanding of its costs and uses this to improve value for money. Its programme of value for money reviews continues to realise significant savings. Overall costs are below average when compared to similar councils, and Chorley identified another £525,000 in efficiency savings during 2009/10. The Council achieves service improvements and maintains high performance while reducing costs. For example, it has cut support costs and invested in electronic enablement of service provision to provide easier access for customers. The revised senior management structure adopted recently plans to deliver savings of £500,000 in 2010/11 and beyond. The Council works well with partner organisations to make best use of combined resources and increase the impact of its work.

Value for money

16 Financial reporting provides management and councillors with timely, accurate and meaningful information. During 2009/10, the Council has continued to train staff on the use of financial information, improving their ability to make informed decisions or to challenge resource allocation. The Council is preparing well for the introduction of International Financial Reporting Standards. Key issues have been identified and work has been undertaken to assess financial and reporting impact. The accounts were prepared in line with the national timetable and supported by comprehensive working papers.

Areas for future focus and development

17 Chorley, in common with other public bodies, faces a difficult financial outlook over the coming years. The full extent of necessary future spending reductions will become clearer after the Autumn Spending Review and the settlement of revenue grant funding for 2011/12 and beyond. The Council needs to ensure that it effectively addresses these emerging issues.

Governing the Business

18 The Council has an effective approach to commissioning and procurement that is delivering positive outcomes for local residents. The Business Transformation Programme places the needs of citizens and users at the heart of service design – for example, the ‘circle of need’ project for older people now offers more services through a single contact point. The Council’s priorities are based on a good understanding of differing local needs, as demonstrated by work with young people at risk of alcohol-related harm. Good progress has been made on shared arrangements with a neighbouring council, including joint procurement. The combined community safety partnership enables joint resources to be targeted more effectively on problem areas, leading to cuts in crime. The Council reviews the competitiveness of its services and changes or eliminates functions that do not add value. For example through VFM reviews including restructuring, the business directorate identified savings of £104,000 in 2009/10.

19 The Council uses information effectively to support decision-making and improve performance. Performance management drives real improvements in outcomes for local people – for example the delivery of affordable housing. Regular performance reporting enables the Council to respond to issues and direct resources accordingly. The decision to provide the Homelessness service ‘in house’ has led to a significant improvement in performance. ‘Mosaic’ customer profiling information and partners’ data are used to address issues at a neighbourhood level and profiles of rural areas have been developed.

20 The Council's high performance is reflected by high levels of customer satisfaction with 62% stating they are satisfied with the way Chorley runs things (up 12% from 2008). The 2010 Place Survey reported that the percentage of people who agreed Chorley provides value for money increased by 16% to 58%.

21 In 2009/10 the Council further strengthened its governance arrangements. Non-executive members now engage more in policy development and challenging the Executive. For example, a task and finish group has looked at affordable housing,

developing an action plan that helped make 107 new affordable homes available during the year. Councillors engage well with communities through neighbourhood tours and weeks of action. Public satisfaction with the advice and support of members has increased. The Council has now achieved level 2 of North West Employers Member Development Charter. It continues to have a strong ethical framework and culture. Robust arrangements are in place for governing partnerships. The Council can show strong outcomes for the community through partnership working. These outcomes include the Crunch Brunch to support local people and businesses during the economic downturn, good community cohesion and falls in teenage pregnancies.

- 22** It makes good use of performance information on key projects so that any potential risks do not adversely affect progress. For example, it has significantly reduced the number of households in temporary accommodation in recent years, thereby meeting its obligations under the Local Area Agreement and also saving £85,000 on bed and breakfast costs. The Council has a strong approach to tackling fraud. Internal Control continues to be effective.

Areas for future focus and development

- 23** Chorley over recent years has effectively challenged and reduced its costs. However, the potential scale of the reductions in public sector funding is likely to require a fundamental review of the current scope of service provision and the associated cost levels. This will include, together with partners, considering different ways of delivering those services which are still considered to be necessary.

Managing Resources

- 24** During 2009/10, for the first time, we examined the Council's management of natural resources. The Council understands its use of natural resources and its impact on the environment. It is making good progress in reducing these through a climate change strategy and action delivery plans. Targets have been set to cut energy consumption by 20 per cent and to reduce business and fleet travel by 10 per cent. The Council's invest to save programme provides resources for installing energy efficiency measures. During 2009/10, the Council reduced carbon emissions from its key buildings, leisure centres and business mileage by 21.7 per cent. It is working well with leisure and property services partners to manage environmental risks

Glossary

Annual governance statement

25 A statement of internal control prepared by an audited body and published with the financial statements.

Audit closure certificate

26 A certificate that I have completed the audit following statutory requirements. This marks the point when I have completed my responsibilities for the audit of the period covered by the certificate.

Audit opinion

27 On completion of the audit of the accounts, auditors must give their opinion on the financial statements, including:

- whether they give a true and fair view of the financial position of the audited body and its spending and income for the year in question;
 - whether they have been prepared properly, following the relevant accounting rules.
-

Qualified

28 The auditor has some reservations or concerns.

Unqualified

29 The auditor does not have any reservations.

Value for money conclusion

30 The auditor's conclusion on whether the audited body has put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

Appendix 1 – Independent auditor’s report to Members of Chorley Borough Council

Independent auditor’s report to the Members of Chorley Borough Council

Opinion on the accounting statements

I have audited the Authority accounting statements and related notes of Chorley Borough Council for the year ended 31 March 2010 under the Audit Commission Act 1998. The accounting statements comprise the Income and Expenditure Account, the Statement of Movement on the General Fund Balance, the Balance Sheet, the Statement of Total Recognised Gains and Losses, the Cash Flow Statement and the Collection Fund and the related notes. These accounting statements have been prepared under the accounting policies set out in the Statement of Accounting Policies.

This report is made solely to the members of Chorley Borough Council in accordance with Part II of the Audit Commission Act 1998 and for no other purpose, as set out in paragraph 49 of the Statement of Responsibilities of Auditors and of Audited Bodies published by the Audit Commission in April 2008.

Respective responsibilities of the Director of Transformation and auditor

The Director of Transformation's responsibilities for preparing the accounting statements in accordance with relevant legal and regulatory requirements and the Code of Practice on Local Authority Accounting in the United Kingdom 2009: A Statement of Recommended Practice are set out in the Statement of Responsibilities for the Statement of Accounts. My responsibility is to audit the accounting 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 accounting statements give a true and fair view, in accordance with relevant legal and regulatory requirements and the Code of Practice on Local Authority Accounting in the United Kingdom 2009: A Statement of Recommended Practice, of the financial position of the Authority and its income and expenditure for the year.

I review whether the governance statement reflects compliance with ‘Delivering Good Governance in Local Government: A Framework’ published by CIPFA/SOLACE in June 2007. I report if it does not comply with proper practices specified by CIPFA/SOLACE or if the statement is misleading or inconsistent with other information I am aware of from my

Appendix 1 – Independent auditor’s report to Members of Chorley Borough Council

audit of the accounting statements. I am not required to consider, nor have I considered, whether the governance statement covers all risks and controls. Neither am I required to form an opinion on the effectiveness of the Authority’s corporate governance procedures or its risk and control procedures.

I read other information published with the accounting statements, and consider whether it is consistent with the audited accounting statements. This other information comprises the Explanatory Foreword. I consider the implications for my report if I become aware of any apparent misstatements or material inconsistencies with the accounting 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 accounting statements and related notes. It also includes an assessment of the significant estimates and judgments made by the Authority in the preparation of the accounting statements and related notes, and of whether the accounting policies are appropriate to the Authority’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 accounting statements and related notes 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 accounting statements and related notes.

Opinion

In my opinion the Authority accounting statements give a true and fair view, in accordance with relevant legal and regulatory requirements and the Code of Practice on Local Authority Accounting in the United Kingdom 2009: A Statement of Recommended Practice, of the financial position of the Authority as at 31 March 2010 and its income and expenditure for the year then ended.

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

Authority’s Responsibilities

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 regularly to review the adequacy and effectiveness of these arrangements.

Auditor’s Responsibilities

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 for principal local authorities specified by the Audit Commission and published in May 2008 and updated in October 2009 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.

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 May 2008 and updated in October 2009 and the supporting guidance, I am satisfied that, in all significant respects, Chorley Borough Council made proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2010.

Certificate

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.

Fiona Blatcher
Engagement Lead
Audit Commission
Aspinall Close
Aspinall House
Middlebrook
Bolton

30th September 2010

Appendix 2 – Amendments to the draft accounts

I identified the following misstatements during my audit and managers have made the necessary adjustments. I bring them to your attention to aid you in fulfilling your governance responsibilities.

Issue	Impact on the accounts
<p>Foreword by Director of Transformation.</p> <p>Revenue Expenditure and Funding - Page 5</p>	<p>The percentages in the pie charts have been amended to more accurately reflect the Income and Expenditure Statement.</p>
<p>Amortisation of Government Grants and depreciation</p> <p>I identified that there was an inconsistency between the periods over which grants received to fund works at Big Wood and Astley Park were being amortised (75 years), and the relevant capital expenditure was being depreciated (25 years).</p> <p>The rate at which government grant is used to fund an asset should equal the rate at which the asset is being depreciated.</p>	<p>Reducing the grant amortisation period has increased the income credited to the Income and Expenditure account by £87,000 and reduced the deficit on the account by the same amount.</p> <p>Regulations require a matching transfer between the Government Grants Deferred Account and the Capital Adjustment Account. There is therefore no change in the Council's General Fund balance.</p> <p>This amendment has also impacted on the following statements:</p> <p>Statement of Movement on the General Fund Balances</p> <p>Statement of Total Recognised Gains and Losses</p> <p>Note 10 - Reconciling Items for the Statement of Movement on the General Fund</p> <p>Note 23 - Deferred Government</p>

Appendix 2 – Amendments to the draft accounts

Issue	Impact on the accounts						
	Grants						
<p>Note 9 - Disclosure of Audit Fees The original note included audit fees of £21,000 paid by Chorley relating the audit costs in respect of the Shared Services partnership</p>	<p>Note 9 has been amended to reflect only those costs relating to the audit of the Council's accounts.</p>						
<p>Note 20 - Revenue and Capital Accruals The original analysis of debtors and creditors for Council Tax with other authorities and NNDR balances was incorrect.</p> <p>This was merely a classification error which has no overall impact on the overall debtors and creditors shown on the Balance Sheet.</p>	<p>The debtors and creditors shown in Note 20 have been amended to:</p> <p>(in £000s):</p> <p>Creditors - 31 March 2009 Sundry creditors £2,059 (up £846) Rate & Taxpayers £76 (down £846)</p> <p>Creditors - 31 March 2010 Sundry creditors £1,784 (down £84) Rate & Taxpayers £84 (up £84)</p> <p>Debtors - 31 March 2009 Government Depts £1,262 (up £68) Other LAs £1,163 (up £910) Sundry debtors £3,235 (up £490) Rate & Taxpayers £192 (down £1,974) Impairment £262 (down £506)</p>						
<p>Page 48 - Refinancing risk Original analysis of borrowing by maturity failed to correctly distinguish between maturity periods.</p>	<p>Debt repayable in 1 to 2 years has been reduced by £200k, with a matching increase in 2 to 5 years</p>						
<p>Page 54 - Note 31 Analysis of Net Debt A number of items in the original Note 31 were incorrectly compiled from the supporting workings papers.</p> <p>This is merely a disclosure note and has no impact on the Council's financial statement.</p>	<p>The following items have been amended:</p> <p>Column Headed - Other cash inflows in the year (000s)</p> <table border="0"> <tr> <td>Major Preceptors and NNDR</td> <td style="text-align: right;">£3,345</td> </tr> <tr> <td>Total</td> <td style="text-align: right;">£90</td> </tr> <tr> <td>Net Debt</td> <td style="text-align: right;">£877</td> </tr> </table>	Major Preceptors and NNDR	£3,345	Total	£90	Net Debt	£877
Major Preceptors and NNDR	£3,345						
Total	£90						
Net Debt	£877						

Appendix 2 – Amendments to the draft accounts

Issue	Impact on the accounts
	Column Headed - Balance 31/03/10 (000s) Major Preceptors and NNDR £1,409 Total £2,818 Net Debt (£875)

Appendix 3 – Draft letter of representation

Ms F Blatcher,
Engagement Lead
Audit Commission
2nd Floor Aspinall House
Aspinall Way
Middlebrook
Bolton
BL6 6QQ

Dear Fiona

RE: CHORLEY BOROUGH COUNCIL – AUDIT FOR THE YEAR ENDED 31 MARCH 2010

I understand that auditing standards require you to obtain representations from management on certain matters material to your opinion. Accordingly I confirm to the best of my knowledge and belief, having made appropriate enquiries of other officers of the Council, the following representations given to you in connection with your audit of the Council's financial statements for the year ended 31 March 2010.

Compliance with the statutory authorities

I acknowledge my responsibility under the relevant statutory authorities for preparing the financial statements, in accordance with the Code of Practice for Local Authority Accounting in the United Kingdom - A Statement of Recommended Practice, which give a true and fair view of the financial position and financial performance of the Council, and for making accurate representations to you.

Supporting records

To the best of my knowledge, all the accounting records have been made available to you for the purpose of your audit, and all the transactions undertaken by Chorley Borough Council have been properly reflected and recorded in the accounting records. All other records and related information, including minutes of all management and council meetings, have been made available to you.

Irregularities

I acknowledge my responsibility for the design and implementation of internal control systems to prevent and detect fraud or error.

I have disclosed to you my knowledge of any:

- 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; or
- communications from regulatory agencies concerning non-compliance with, or deficiencies on, financial reporting practices which could have a material effect on the financial statements.

I have disclosed to you:

- my knowledge of fraud, or suspected fraud, involving either management, employees who have significant roles in internal control or others where fraud could have a material effect on the financial statements; and
- my knowledge of any allegations of fraud, or suspected fraud, affecting the Council's financial statements communicated by employees, former employees, analysts, regulators or others.

Law, regulations, contractual arrangements and codes of practice

I am not aware of any actual or potential instances of non-compliance with laws, regulations and codes of practice, likely to have a material effect on the finances or operations of the Council.

Fair Values

I confirm that the presentation and disclosure of the fair value measurements of material assets, liabilities and components of equity are in accordance with the financial reporting framework.

The measurement methods and significant assumptions used in determining fair value have been applied on a consistent basis, are reasonable, and appropriately reflect the best estimate of fair value of assets and liabilities required to be disclosed by these standards.

Assets

The following have been properly recorded and, where appropriate, adequately disclosed in the financial statements:

- losses arising from sale & purchase commitments;
- agreements & options to buy back assets previously sold; and
- assets pledged as collateral.

Appendix 3 – Draft letter of representation

Compensating arrangements

There are no formal or informal compensating balancing arrangements with any of our cash and investment accounts.

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; and
- no financial guarantees have been given to third parties.

Related party transactions

I confirm the completeness of the information disclosed 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

Post balance sheet events

Since the date of approval of the financial statements by the Audit Committee, the only significant post balance sheet event that I am aware of has been the announcement by the Chancellor of a change in basis for uplifting public sector pensions.

Specific representations

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.

Unadjusted misstatements in the accounts

All misstatements identified during the course of the audit have been adjusted.

Signed on behalf of Chorley Borough Council:

Signed:

Name: Gary Hall

Name: Cllr A Gee

Position: Director of Transformation

Chair of the Audit Committee

Date: 30 September 2010

Date: 30 September 2010

Appendix 4 – Value for money criteria

KLOE	Met
Managing finances	
Planning for financial health	Yes
Understanding costs and achieving efficiencies	Yes
Financial reporting	Yes
Governing the business	
Commissioning and procurement	Yes
Use of information	Yes
Good governance	Yes
Risk management and internal control	Yes
Managing resources	
Natural resources	Yes
Workforce	Yes

The Audit Commission

The Audit Commission is an independent watchdog, driving economy, efficiency and effectiveness in local public services to deliver better outcomes for everyone.

Our work across local government, health, housing, community safety and fire and rescue services means that we have a unique perspective. We promote value for money for taxpayers, auditing the £200 billion spent by 11,000 local public bodies.

As a force for improvement, we work in partnership to assess local public services and make practical recommendations for promoting a better quality of life for local people.

Copies of this report

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