

BABERGH DISTRICT COUNCIL

FROM: Head of Finance

REPORT NUMBER **G 101**

TO: STRATEGY COMMITTEE

DATE OF MEETING: 27 September 2007

AUDIT COMMISSION ANNUAL GOVERNANCE REPORT

1. **PURPOSE OF REPORT**

To inform the Committee of the Audit Commissions 2006/07 review of the Council's Financial Statements, Statement of Internal Control and Use of Resources conclusion. Also, to advise Members of amendments that have been made to the accounts since the Council approved them in June 2007.

2. **RECOMMENDATIONS**

- 2.1 That the Audit Commission's Annual Governance report be accepted and the amendments to the Council's 2006/07 Statement of Accounts noted.

The Committee is able to resolve the matter.

3. **FINANCIAL IMPLICATIONS**

- 3.1 There are no financial implications to report.

4. **RISK MANAGEMENT**

- 4.1 The report links to the Council's Significant Business Risk No. 7 – Financial, Performance and Risk Management. There are no major risks associated with the report.

5. **KEY INFORMATION**

- 5.1 This year's audit is the last one to be carried out by the Audit Commission's District Audit Service. Kevin Sharman, Audit Manager, will present their Annual Governance report, which is attached. In future years, the newly appointed auditors, PKF, will present the report.

- 5.2 The key points will be explained by Kevin Sharman. Key messages are set out on page 5. In summary and subject to finalising their work:

- There will be an unqualified opinion on the Accounts and the Use of Resources conclusion, including Value for Money
- No material matters need reporting on the Accounts

- There are a few issues on Accounting practices (see page 6/7 and the Action Plan (page 10)
 - The Statement of Internal Control has been prepared in accordance with proper practices
 - Data quality arrangements are satisfactory
- 5.3 The report also includes an update on audit fees. There is sufficient budget provision to meet these.
- 5.4 Members will be updated on any matters that arise between now and the date of the meeting.
- 5.5 In terms of the accounts, the main amendments made since Council approved them at the end of June are indicated below. These have not had any impact on the Council's Income and Expenditure Account, Housing Revenue Account (HRA), Balance Sheet or Collection Fund:
- We have streamlined the notes to the accounts where possible and explained our accounting policies in easier terms. This has resulted in a reduction in the length of these without compromising on substance
 - There have been some minor changes to the Balance Sheet and cash-flow statement
 - Management of leisure centres from 1st April 2006 by South Suffolk Leisure Trust (SSLT) has been specifically mentioned in the explanatory foreword and appropriate disclosures made in the Related Party Transactions note eg Revenue and capital transactions with the Trust amounted to £379,000 last year
 - Linked to this, Hadleigh Pool has been included in fixed assets. Previously it was excluded from the Council's accounts as, technically, it was owned by Babergh as Sole Trustees and shown in the Hadleigh Swimming Pool Charity Accounts
 - Deferred capital receipts of £123,000 are now shown as a liability in the Balance Sheet rather than part of capital reserves
 - Additional lessor disclosures have been made in the notes to the accounts.
- 5.6 In addition, more minor presentational and other amendments have been made, such as the notes to the Housing Revenue Account (HRA) being re-ordered to improve visibility from main HRA statement.

6. **APPENDICES**

- 6.1 Appendix A – Audit Commission Annual Governance Report.

7. **BACKGROUND PAPERS REFERRED TO:**

None

CONTACTS: Barry Hunter, Head of Finance

DIRECT LINE: 01473 825819



Annual Governance Report

Babergh District Council

Audit 2006-2007

External audit is an essential element in the process of accountability for public money and makes an important contribution to the stewardship of public resources and the corporate governance of public services.

Audit in the public sector is underpinned by three fundamental principles:

- auditors are appointed independently from the bodies being audited;
- the scope of auditors' work is extended to cover not only the audit of financial statements but also value for money and the conduct of public business; and
- auditors may report aspects of their work widely to the public and other key stakeholders.

The duties and powers of auditors appointed by the Audit Commission are set out in the Audit Commission Act 1998 and the Local Government Act 1999 and the Commission's statutory Code of Audit Practice. Under the Code of Audit Practice, appointed auditors are also required to comply with the current professional standards issued by the independent Auditing Practices Board.

Appointed auditors act quite separately from the Commission and in meeting their statutory responsibilities are required to exercise their professional judgement independently of both the Commission and the audited body.

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.

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

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

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

www.audit-commission.gov.uk

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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 Overview and Scrutiny (Stewardship) 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 Standards on Auditing (United Kingdom & Ireland) – ISA (UK&I) - 260 'Communication of Audit Matters to Those Charged With Governance', by reporting to you matters relating to the audit of the financial statements. Other auditing standards require us to communicate with you in other specific circumstances including:
 - where we suspect or detect fraud;
 - where there is an inconsistency between the financial statements and other information in documents containing the financial statements; and
 - non-compliance with legislative or regulatory requirements and related authorities.
- 3 We are also required to communicate to you the Audit Commission's requirements in respect of independence and objectivity, and these are set out at Appendix 2.
- 4 This report has been prepared for presentation to the Strategy Committee on 27 September. Members are invited to:
 - consider the matters raised in the report before the financial statements are approved;
 - approve the representation letter on behalf of the Authority and those charged with governance before we issue our opinion; and
 - consider amending the financial statements for unadjusted misstatements, significant qualitative aspects of financial reporting and any recommendations for improvement in the action plan.
- 5 Our work during the year was performed in line with the plan that we presented to you on 23 May 2006. We have issued separate reports during the year having completed specific aspects of our programme, which are listed in Appendix 3.
- 6 The Authority has taken a positive and constructive approach to our audit and we would like to take this opportunity to express our appreciation for the Authority's assistance and co-operation.

Key messages

- 7 Our work on the financial statements is in progress as there are still outstanding issues to be resolved. In particular, our work on the income and expenditure account, fixed assets, housing revenue account and leases has yet to be concluded. Should any further matters arise in concluding the outstanding work that need to be reported, we will raise them in an addendum report to the Strategy Committee.
- 8 We propose issuing an unqualified audit opinion by 28 September 2007 (a draft auditor's report is attached at Appendix 4).
- 9 Although our work remains in progress we anticipate confirming that, in our view, the Statement on Internal Control (SIC) has been prepared in accordance with proper practice specified by CIPFA and is consistent with the findings from our audit.
- 10 Our work on the Authority's arrangements to secure economy, efficiency and effectiveness in its use of resources is nearing completion. We propose issuing an unqualified conclusion on the use of resources by 28 September 2007 (a draft auditor's report is attached at Appendix 4).

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Accounts and Statement on Internal Control

- 11 Our work on the financial statements is in progress and there are still outstanding issues to be resolved. In particular, our work on the income and expenditure account, fixed assets, housing revenue account and leases has yet to be concluded.
- 12 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.
- 13 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.
- 14 The final draft of the letter of representation has been attached at Appendix 5.

Unadjusted misstatements

- 15 We are required to report to you all unadjusted misstatements that we have identified during the course of our audit, other than those that are clearly trivial. Currently, we have no matters to draw to your attention.

Adjustments to the financial statements

- 16 We are also required to bring to your attention misstatements that have already been corrected by management where we consider them relevant to your wider governance responsibilities. We have no matters to draw to your attention.

Accounting practices

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

South Suffolk Leisure

- 18 We have been able to agree with officers the accounting treatment of the relationship with South Suffolk Leisure. We reviewed the relevant legal agreements and assessed them in accordance with the 2006 Statement of Recommended Practice (SoRP) and Financial Reporting Standards.

- 19 We considered that this relationship falls within the group boundary defined by the SoRP. However, as the extent of control exercised by the Authority over South Suffolk Leisure was not found to be significant and the Authority's interest in South Suffolk Leisure was found to be neither qualitatively and quantitatively material, we agreed that the preparation of group accounts was not required. We have requested additional disclosures in respect of the nature of the relationship to be included within the Related Party Transactions note to the financial statements, which officers are amending.
- 20 The extent of control and materiality of the relationship with South Suffolk Leisure, both qualitatively and quantitatively, will need to be kept under review to ensure appropriate accounting treatment in the future.

Lessor disclosures

- 21 The 2006 SoRP has extended disclosure requirements for both lessors and lessees in relation to operating and finance leases, to ensure proper accounting practices for leases under the Prudential Framework.
- 22 We have requested additional disclosures in respect of the Authority's lessor arrangements, in particular the value of the assets leased and the aggregated rental income earned, to be included in the leasing note to the financial statements to ensure compliance with the SoRP, which officers are amending.

Systems of internal control

- 23 As part of our audit, we consider the systems of accounting and financial control and report to you any material weaknesses identified. We have no matters to draw to your attention.
- 24 We are in the process of reviewing whether the SIC has been prepared in accordance with proper practice specified by CIPFA and is consistent with the findings from our audit. If any matters arise from completing the review they will be reported via an addendum report.

Use of resources

Work performed

- 25 The Code requires us to reach a conclusion on whether we are satisfied that the Authority has proper arrangements in place for securing economy, efficiency and effectiveness in its use of resources – the value for money conclusion. In meeting this responsibility, we review evidence that is relevant to the Authority's corporate performance management and financial management arrangements across a range of criteria specified by the Audit Commission. Our work to support our conclusion comprised the following elements:
- use of resources assessment;
 - data quality work; and
 - the best value performance plan.
- 26 Details of our conclusion for each of the criteria specified by the Audit Commission are set out in Appendix 6. On the basis of our assessment last year and the work we have undertaken to date we propose issuing an unqualified conclusion on the use of resources by 28 September 2007 (a draft auditor's report is attached at Appendix 4), although our work to update this conclusion for 2006/07 is still in progress and cannot be confirmed at this stage.

Use of resources assessment

- 27 We are currently completing our work relating to the use of resources assessment, and we will report our findings in a separate report and in the Annual Audit and Inspection Letter.

Data quality work

- 28 We are currently finalising our data quality review and will report our findings to the relevant officers. However, on the basis of the work undertaken in previous years and the work on management arrangements this year we anticipate concluding that the Authority's arrangements for data quality are satisfactory.

Best value performance plan

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

Audit fee update

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

	Plan 2006/07	Actual 2006/07
Financial statements and Statement on Internal Control	56,500	59,000
Use of Resources	22,000	25,100
Total Audit Fees	78,500	84,100
Grants certification work	46,000	tbc
Other work	-	-

- 31 The outturn on inspection fees will be reported in the annual audit and inspection letter.

Financial statements and Statement on Internal Control

- 32 The present variance on the fee for audit work on the Financial statements and Statement on Internal Control is due to a supplementary fee of £2,500 for work relating to the Whole of Government Accounts (WGA) consolidation pack. Following a consultation exercise in June and July 2006, and via a letter to all authorities dated 31 October 2006, the Audit Commission agreed that the fees for the audit of WGA consolidation packs for 2006/07 should be charged direct to audited bodies.
- 33 The final actual fee for the financial statements and Statement on Internal Control work is yet to be determined as the work is still ongoing. We will liaise with your Director of Finance in the first instance should we need to revisit the fee following the completion of our work.

Use of Resources

- 34 Our 2006/07 audit and inspection plan identified an audit risk in relation to the South Suffolk Leisure Trust. At the time, the audit tool to undertake the review had not been developed and the fee implications were unknown. The scope of the review was agreed with officers and an additional fee of £3,100 has been agreed for this work.

Grants certification work

- 35 The actual fee for this work is not yet known as the work is still ongoing, but it is anticipated that the fees charged will be contained within the planned figure of £46,000.

Appendix 1 – Action plan

Page	Recommendation	Priority 1 = Low 2 = Medium 3 = High	Responsibility	Agreed	Comments	Anticipated Implementation Date
7	Review procedures to identify related party transactions to ensure that where the Authority enters into new partnership arrangements, additional disclosure is considered.	2				
7	Ensure that future closedown plans include an ongoing assessment of the factors which could require group accounts to be produced to reflect arrangements with South Suffolk Leisure.	3				
7	Ensure that future closedown plans include a review of the Statement of Recommended Practice to identify areas where disclosure requirements are being significantly changed compared to previous years.	2				

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

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

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Appendix 3 – Audit reports issued

Planned output	Planned date of issue	Actual date of issue	Addressee
Audit plan	March 2006	May 2006	Council
Annual governance report	September 2007	September 2007	Council
Opinion on financial statements	September 2007	September 2007	Council
Value for money conclusion	September 2007	September 2007	Council
Final accounts memorandum	October 2007	-	Management
BVPP report	October 2006	December 2006	Management
Data quality report	October 2006	December 2006	Management
Performance reports			
- Partnerships in Leisure	TBC	September 2007	Management
Annual audit letter	March 2008	-	Council

Appendix 4 – Proposed auditor's report

Independent auditor's report to the Members of Babergh District Council

Opinion on the financial statements

I have audited the financial statements of Babergh District Council for the year ended 31 March 2007 under the Audit Commission Act 1998, which comprise the Income and Expenditure account, the Consolidated Balance Sheet, the Collection Fund, the Housing Revenue Account Income and Expenditure Account, the Statement of Recognised Gains and Losses, the Cash Flow Statement, and the related notes. These financial statements have been prepared under the accounting policies set out within them.

This report is made solely to Babergh District 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 in accordance with applicable laws and regulations and the Statement of Recommended Practice on Local Authority Accounting in the United Kingdom 2005 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 present fairly the financial position of the Authority in accordance with applicable laws and regulations and the Statement of Recommended Practice on Local Authority Accounting in the United Kingdom 2005.

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' published on 2 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 Authority'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 Authority in the preparation of the financial statements, 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 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 2005, the financial position of the Authority as at 31 March 2007 and its income and expenditure for the year then ended.

Robert Davies
District Auditor

Audit Commission, Springvale Court, Hadleigh Road, Sproughton, Ipswich,
Suffolk IP8 3AS

X September 2007

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 to regularly review the adequacy and effectiveness of these arrangements.

Under the Local Government Act 1999, the Authority is required to prepare and publish a best value performance plan summarising the Authority’s assessment of its performance and position in relation to its statutory duty to make arrangements to ensure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

Auditor’s responsibilities

I am required by the Audit Commission Act 1998 to be satisfied that proper arrangements have been made by the Authority for securing economy, efficiency and effectiveness in its use of resources. The Code of Audit Practice issued by the Audit Commission requires me to report to you my conclusion in relation to proper arrangements, having regard to relevant criteria specified by the Audit Commission for principal local authorities. I report if significant matters have come to my attention which prevent me from concluding that the Authority has made such proper arrangements. I am not required to consider, nor have I considered, whether all aspects of the Authority’s arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

I am required by section 7 of the Local Government Act 1999 to carry out an audit of the Authority’s Best Value Performance Plan and issue a report:

- certifying that I have done so;
- stating whether I believe that the Plan has been prepared and published in accordance with statutory requirements set out in section 6 of the Local Government Act 1999 and statutory guidance; and
- where relevant, making any recommendations under section 7 of the Local Government Act 1999.

Conclusion

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, Babergh District Council made proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ending 31 March 2007.

Best Value Performance Plan

I issued my statutory report on the audit of the authority’s Best Value Performance Plan for the financial year 2006/07 on 8 December 2006. I did not identify any matters to be reported to the authority and did not make any recommendations on procedures in relation to the Plan.

Certificate

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.

Robert Davies

District Auditor

Audit Commission, Springvale Court, Hadleigh Road, Sproughton, Ipswich,
Suffolk IP8 3AS

X September 2007

Appendix 5 – Management representation letter

Robert Davies, District Auditor
Audit Commission
Springvale Court,
Hadleigh Road,
Sproughton,
Ipswich
Suffolk IP8 3AS

Babergh District Council - Audit for the year ended 2006/07

I confirm to the best of my knowledge and belief, having made appropriate enquiries of other officers of Babergh District Council, 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.

The Council has no plans or intentions that may materially alter the carrying value or classification of assets and liabilities reflected in the financial statements.

Supporting records

All the accounting records have been made available to you for the purpose of your audit and all the transactions undertaken by the Council have been properly reflected and recorded in the accounting records. All other records and related information, including minutes of all 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; and
- no financial guarantees have been given to third parties.

Law, regulations, contractual arrangements 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 Council.

The body has complied with all aspects of contractual arrangements that could have a material effect on the financial statements in the event of non-compliance.

There has been no non-compliance with requirements of regulatory authorities that could have a material effect on the financial statements in the event of non-compliance.

Assets

The following have been properly recorded and when 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.

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; 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.

Post balance sheet events

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

Signed on behalf of Babergh District Council

Signed

Name

Position

Date

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Appendix 6 – Value for money conclusion

- 1 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.
- 2 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 Authority 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, which also shows the UoR score from our previous assessment in 2006. Our work on the 2007 UoR assessment is currently in progress.

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

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Code Criteria	Description	Associated UoR KLoE	UoR Score (2006)	VFM Conclusion
5	The body has put in place arrangements to maintain a sound system of internal control.	4.2	2	Adequate
6	The body has put in place arrangements to manage its significant business risks.	4.1	2	Adequate
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	2	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