

AGENDA NO:

REPORT TO CABINET

**REPORT OF THE CORPORATE
MANAGEMENT TEAM**

14 MAY 2009

AUDIT COMMISSION ANNUAL AUDIT & INSPECTION LETTER 2009

Corporate Management and Finance – Lead Cabinet Member – Councillor Laing

1. Summary

To present to Members of the Cabinet, the Audit Commission Annual Audit & Inspection Letter for 2009, (formerly the Management Letter).

2. Recommendations:

That Members note the contents of the letter.

3. Reasons for the Recommendations/Decision(s)

The Audit Commission is required to present its findings to the Council's Cabinet Committee.

4. Members' Interests

Members (including co-opted Members with voting rights) should consider whether they have a personal interest in the item as defined in the Council's code of conduct (**paragraph 8**) and, if so, declare the existence and nature of that interest in accordance with paragraph 9 of the code.

Where a Member regards him/herself as having a personal interest in the item, he/she must then consider whether that interest is one which a member of the public, with knowledge of the relevant facts, would reasonably regard as so significant that it is likely to prejudice the Member's judgement of the public interest (**paragraphs 10 and 11 of the code of conduct**).

A Member with a prejudicial interest in any matter must withdraw from the room where the meeting considering the business is being held -

- in a case where the Member is attending a meeting (including a meeting of a select committee) but only for the purpose of making representations, answering questions or giving evidence, provided the public are also allowed to attend the meeting for the same purpose whether under statutory right or otherwise, immediately after making representations, answering questions or giving evidence as the case may be;

- in any other case, whenever it becomes apparent that the business is being considered at the meeting;

and must not exercise executive functions in relation to the matter and not seek improperly to influence the decision about the matter (**paragraph 12 of the Code**).

Further to the above, it should be noted that any Member attending a meeting of Cabinet, Select Committee etc; whether or not they are a Member of the Cabinet or Select Committee concerned, must declare any personal interest which they have in the business being considered at the meeting (unless the interest arises solely from the Member's membership of, or position of control or management on any other body to which the Member was appointed or nominated by the Council, or on any other body exercising functions of a public nature, when the interest only needs to be declared if and when the Member speaks on the matter), and if their interest is prejudicial, they must also leave the meeting room, subject to and in accordance with the provisions referred to above.

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PURPOSE OF REPORT

To present to Members of the Cabinet, the Audit Commission Annual Audit & Inspection Letter for 2009, (formerly the Management Letter).

RECOMMENDATIONS

Recommended that Members note the contents of the letter.

BACKGROUND

1. The Audit Commission is responsible for arranging for the audit of the accounts of the Council (either by private firms or through their own auditors). They are also responsible for undertaking the annual Comprehensive Performance Assessment CPA and from 2009 onwards the Comprehensive Area Assessment (CAA) and other service inspections.
2. A formal stage in this process is the production of the "Annual Audit & Inspection Letter", formerly, the Management Letter. The Annual Audit & Inspection Letter for 2007/08 has now been received and is attached at **Appendix A**.
3. The Annual Audit Letter provides a comprehensive and independent assessment of the overall "health" of the Council. It reports on the detailed results of all service inspections and assessments and also references how the Council works with key partners. In line with previous practice, a copy of the Annual Audit Letter will be sent to all Members of the Council.

DETAIL

4. The Audit Commission considers that Stockton on Tees Borough Council is improving well and is classified as 4 stars for its current level of performance. Audit and Inspection findings show continued improvements in performance in the majority of its services, with effective contributions to the wider community outcomes being delivered in partnership.

5. The Audit Commission has issued an unqualified audit opinion on the council for 2007/08, with arrangements in place to ensure that the effective use of resources remains strong.
6. The Commission considers that the Council has taken early steps to monitor the changing environment in relation to the recent economic downturn and put measures in place to minimize the impact as far as possible.
7. The annual audit and inspection letter details results and comments from service inspections and audit work undertaken with good overall performance across most priority areas. However the Commission considers that the council needs to:
 - Ensure a year round focus on the effectiveness of plans in place to address areas of improvement identified in the 2008 annual performance assessment of services for children and young people.
 - Continue to work in partnership locally and across the Tees Valley and wider region to minimize the risks imposed by the economic downturn.
 - Continue to work in partnership to ensure that the quality of information from partners is subject to the same quality assurance arrangements as that produced internally.

FINANCIAL AND LEGAL IMPLICATIONS

8. None directly. The Letter demonstrates that the Council continues to maintain sound financial systems.

CONSULTATION INCLUDING WARD/COUNCILLORS

9. The report presents the Audit Commission's Annual Audit & Inspection Letter for Members' consideration. A copy will be sent to all Members of the Council.

RISK ASSESSMENT

10. The letter does not present any risks. It comments on the Council's overall corporate governance arrangements, which are adequate.

EQUALITIES IMPACT ASSESSMENT

11. An Equality Impact Assessment is not required as this report presents the Audit Commission's views of the Council.

SUSTAINABLE COMMUNITY STRATEGY IMPLICATIONS

12. Not applicable.

Contact Officers:

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Background Papers:

No background papers.

Property:

No implications in relation to Council property.