

AGENDA NO:

REPORT TO CABINET

**REPORT OF THE CORPORATE
MANAGEMENT TEAM**

17th December 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 Letter for 2009.

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 Letter for 2009.

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 leading the annual Comprehensive Area Assessment (CAA).
2. A formal stage in this process is the production of the "Annual Audit Letter". The Annual Audit Letter for 2008/9 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 judged as being at level 4 (the highest rating) for its Use of Resources.
5. The Audit Commission has issued an unqualified audit opinion on the Council for 2008/9.
6. The Commission considers that the Council's arrangements for managing finances are excellent, with a strong value for money culture. The arrangements for governing the business are also judged as being excellent with a systematic approach to

commissioning and procurement supported by high levels of partnership working and joint commissioning and resulting in savings.

7. It considers that the Council performs well at Managing Resources. For 2008/9 a new line of enquiry was introduced that relates to how well the Council is managing its use of natural resources and how it is influencing others.
8. The annual audit letter compliments the Organisational and Area Assessment outcomes within the CAA framework and primarily focuses on judging the Council's use of resources and value for money. It also includes reference to a review, conducted jointly by the Audit Commission and Deloitte across the North East, in relation to how organisations are working together to tackle health inequalities. A more detailed review was also undertaken across Stockton of action being taken to address teenage pregnancy. Both of these informed the Area Assessment aspect of CAA.
9. The Commission considers that the Council needs to:
 - Work with partners, using the recommendations in the health inequalities reports to improve targeting and performance management, making effective use of the voluntary sector and community views.

FINANCIAL AND LEGAL IMPLICATIONS

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

CONSULTATION INCLUDING WARD/COUNCILLORS

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

RISK ASSESSMENT

12. The letter does not present any risks. It comments on the Council's overall governance arrangements which are performing well.

EQUALITIES IMPACT ASSESSMENT

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

SUSTAINABLE COMMUNITY STRATEGY IMPLICATIONS

14. Not applicable.

Contact Officers:

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Background Papers:

No background papers.

Property:

No implications in relation to Council property.