

AGENDA NO:

REPORT TO CABINET

20 JANUARY 2011

**REPORT OF THE CORPORATE
MANAGEMENT TEAM**

AUDIT COMMISSION ANNUAL AUDIT & INSPECTION LETTER 2010

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 2010

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 2010.

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) and for assessing the Council's arrangements for securing value for money. Until May 2010 they were 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 2009/10 has now been received and is attached at **Appendix A**.
3. The Annual Audit Letter summarises the auditor's findings from the 2009/10 audit. 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 has issued an unqualified audit opinion on the Council's financial statements for 2009/10. The Council is addressing the concerns raised about general IT controls and data quality.
5. The Commission has issued an unqualified value for money conclusion stating that the Council has "adequate" arrangements to secure economy, efficiency and effectiveness in the use of resources. Adequate is the highest level of approval that the Commission can give in this context.

6. It considers that “the Council continues to deliver high quality, low cost services and is working hard to improve further despite challenging economic and financial conditions. Local people are involved in financial and service planning and commissioning services and they express high levels of satisfaction with the Council's services.

FINANCIAL AND LEGAL IMPLICATIONS

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

CONSULTATION INCLUDING WARD/COUNCILLORS

8. 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

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

EQUALITIES IMPACT ASSESSMENT

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

SUSTAINABLE COMMUNITY STRATEGY IMPLICATIONS

11. Not applicable.

Contact Officer:

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Background Papers:

No background papers.

Property:

No implications in relation to Council property.