

**AGENDA NO:**

**REPORT TO CABINET**

**REPORT OF THE CORPORATE  
MANAGEMENT TEAM**

**12 January 2012**

## **CABINET DECISION**

### **AUDIT COMMISSION ANNUAL AUDIT LETTER 2010/11**

**Corporate Management and Finance – Lead Cabinet Member – Councillor Harrington**

1. Summary

To present to Members of the Cabinet, the Audit Commission Annual Audit Letter for 2010/11

2. Recommendation

That Members note the contents of the letter.

3. Reasons for the Recommendation/Decision

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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### **AUDIT COMMISSION ANNUAL AUDIT LETTER 2010/11**

#### **SUMMARY**

To present to Members of the Cabinet, the Audit Commission Annual Audit Letter for 2010/11.

#### **RECOMMENDATION**

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.
2. A formal stage in this process is the production of the "Annual Audit Letter". The Annual Audit Letter for 2010/11 has now been received and is attached as an Appendix to this report.
3. The Annual Audit Letter summarises the auditor's findings from the 2010/11 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 2010/11. The Council is putting in place measures to ensure that statements are reviewed internally before being passed for audit.
5. The Commission has issued an unqualified value for money conclusion stating that it is satisfied that "in all significant respects, Stockton on Tees Borough Council put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ending 31 March 2011".
6. It considers that "overall, the Council has managed the significant financial challenges it has faced well, managing within budget and successfully delivering planned savings and efficiencies" and that "the Council is taking difficult decisions to safeguard its future financial strength and capacity to deliver 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:

Audit Commission reports in 2011:	
Audit plan	January 2011
Opinion plan	January 2011
Annual governance report	September 2011
Opinion on the financial statements	September 2011
Value for money conclusion	September 2011

### Property:

No implications in relation to Council property.