

DECISION-MAKER:	COUNCIL
SUBJECT:	ANNUAL AUDIT LETTER 2008/09 AND COMPREHENSIVE AREA ASSESSMENT
DATE OF DECISION:	20 JANUARY 2010

REPORT OF: LEADER OF THE COUNCIL

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STATEMENT OF CONFIDENTIALITY

None

SUMMARY

The Annual Audit Letter presents the results of the statutory audit of the Council's 2008/09 financial statements and the results of the work undertaken to assess arrangements to secure value for money in the use of resources. The Comprehensive Area Assessment looks at how well local public services, working together, are meeting the needs of the people they serve. Copies of the Annual Audit & Inspection Letter and the CAA Assessment are appended to this report.

RECOMMENDATIONS:

- (i) To formally receive the 2009 Audit Commission's Annual Audit & Inspection Letter and the Audit Commission's CAA Assessment - Organisational Assessment of the City Council and Southampton's Area Assessment.

REASONS FOR REPORT RECOMMENDATIONS

1. The recommendations reflect the arrangements for the receipt of the Audit Commission's Annual Audit Letter which were agreed by Full Council on the 23rd June 2004.

CONSULTATION

2. The Annual Audit Letter and the CAA Assessment, as attached, has been discussed and agreed with the appropriate officers and the Southampton Partnership Delivery Board.
3. All Members have also been invited to attend a briefing from the Audit Commission prior to the start of today's Full Council meeting to run through the key issues contained within the letter and to ask any questions.

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

4. None.

DETAIL

Annual Audit & Inspection Letter

5. Under Regulation 19 of the Accounts and Audit Regulations 2003 (as amended 2006) the Annual Audit letter must be published and copied to all Members of the Council and was sent to all Members on 23rd December 2009.

6. The Annual Audit letter attached at Appendix 1 sets out the Audit Commission's conclusions and any significant issues arising from the audit of the Council's 2008/09 accounts as well as other external inspections carried out within the Council up to the end of December 2009.
7. The letter acknowledges the new Use of Resources assessment framework is more demanding than the previous assessment placing greater emphasis on considering outcomes for local people. Judgements have been made for each key line of enquiry (KLOE) using the Audit Commission's current four point scale from 1 to 4, with 4 being the highest. Southampton City Council received a scored judgement of 3 across all Use of Resources themes.

Comprehensive Area Assessment

8. The Comprehensive Area Assessment (CAA) looks at every area in the country, reporting their strengths and weaknesses and highlighting how well public bodies such as councils, police forces and health services work together to tackle issues. CAA comprises two elements:
 - An **area assessment**, which looks at how well local public services are delivering better results for local people on local priorities and how likely they are to improve in the future. The inspectorates use red flags to highlight issues of significant concern and green flags to highlight exceptional success and innovation from which others can learn;
 - **Organisational assessments**, which for councils and fire and rescue authorities are undertaken jointly by the local public service inspectorates.
9. The Audit Commission's assessment attached at Appendix 2 and 3 states that Southampton City Council performs well and has scored 3 out of 4 for managing its performance. Southampton has received a Green flag for reducing the use of carbon. This is the only Green flag in Hampshire. The Area Assessment identified no Red flags for Southampton. The Assessment identifies for improvement which will be reflected in the 2010/11 Corporate Improvement Plan as necessary.

FINANCIAL/RESOURCE IMPLICATIONS

Capital

10. None.

Revenue

11. The development and implementation of action plans to respond to the CAA Assessments and the Annual Audit Letter forms part of the Council's on-going performance improvement work and can therefore be met from existing resources.

Property

12. None.

Other

13. None.

LEGAL IMPLICATIONS

Statutory power to undertake proposals in the report:

14. The duties and powers of auditors appointed by the Audit Commission are set out in the Local Government Act 1999.

Other Legal Implications:

15. None.

POLICY FRAMEWORK IMPLICATIONS

16. None directly. However the content of the Annual Audit Letter and the CAA will play a key role in the development of the Council's Corporate Improvement Plan for 2010/11..

SUPPORTING DOCUMENTATION

Appendices

1.	The Annual Audit Letter 2008/09
2.	CAA – Area Assessment Summary
3.	CAA – Organisational Assessment Summary

Documents In Members' Rooms

1.	None
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Background Documents

Title of Background Paper(s)	Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)
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1.	None	
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Background documents available for inspection at: N/A

WARDS/COMMUNITIES AFFECTED:

None directly, however sustained improvements in the overall performance of the Council and the delivery of key services will have a beneficial effect on residents living in all wards in the City.