

DECISION-MAKER:	STANDARDS AND GOVERNANCE COMMITTEE AUDIT COMMITTEE
SUBJECT:	AUDIT COMMISSION: ANNUAL AUDIT LETTER 2009/10
DATE OF DECISION:	14 DECEMBER 2010 3 FEBRUARY 2011
REPORT OF:	CHIEF INTERNAL AUDITOR
STATEMENT OF CONFIDENTIALITY	
Not Applicable	

BRIEF SUMMARY

The Annual Audit Letter presents the results of the District Auditor's statutory audit of the Council's 2009/10 financial statements and the assessment of arrangements to achieve value for money in the Council's use of resources.

The District Auditor cannot complete the audit and issue her certificate until consideration of issues that local authority electors have brought to her attention. These concern how the Council calculates heating charges for tenants and leaseholders.

In accordance with Audit Commission guidelines a copy of the Annual Audit Letter was circulated to all Members by the 30 November 2010.

The Annual Audit Letter is to be presented to those charged with governance but will not, as historically has been the case, be further presented to Full Council.

RECOMMENDATIONS:

Audit Committee

- (i) That the Annual Audit Letter 2009/10 be noted

Standards and Governance Committee

- (ii) That the Committee note the Letter, make such comments as are appropriate / necessary and identify any issues they feel are worth exploring as set out in the 2010 Annual Audit Letter

REASONS FOR REPORT RECOMMENDATIONS

1. Audit Committee

The Audit Committee's Terms of Reference require it to be satisfied and provide assurance to the Standards and Governance Committee that appropriate action is being taken on risk and internal control related issues identified by the external auditors. Specifically, the Committee has responsibility for oversight of the reports of external audit.

2. Standards and Governance Committee

Under the statutory Code of Audit Practice, the Audit Commission is required to issue a report to those charged with governance, summarising the conclusions from their audit work.

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

3. None

DETAIL (Including consultation carried out)

4. 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.
5. 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 2009/10 accounts as well as other external inspections carried out within the Council up to the end of December 2010.
6. The letter acknowledges the Council's current and future challenges. The District Auditor is satisfied that the Council is taking the necessary steps to meet the challenges of its financial stability over the coming years and to ensure it can continue to deliver key services for its residents. Going forward, Members will want to:
 - Monitor closely the delivery of the Council's savings programme;
 - Continue to support efforts to work with other public bodies to consider alternative ways of service delivery and reduce overall costs;
 - Monitor the achievement of the expected benefits from the major street lighting, highway and leisure contracts entered into in the years; and
 - Be satisfied the capital programme is affordable
7. The Annual Audit Letter, as attached, has been discussed and agreed with the appropriate officers.

RESOURCE IMPLICATIONS

Capital/Revenue

8. None

Property/Other

9. None

LEGAL IMPLICATIONS

Statutory power to undertake proposals in the report:

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

Other Legal Implications:

11. None

POLICY FRAMEWORK IMPLICATIONS

12. None

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KEY DECISION? No

WARDS/COMMUNITIES AFFECTED:	Not applicable
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SUPPORTING DOCUMENTATION

Non-confidential appendices are in the Members' Rooms and can be accessed on-line

Appendices

1.	Annual Audit Letter 2009/10
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Documents In Members' Rooms

1.	None
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Integrated Impact Assessment

Do the implications/subject of the report require an Integrated Impact Assessment (IIA) to be carried out.	No
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Other Background Documents

Integrated Impact Assessment and Other Background documents available for inspection at

Title of Background Paper(s)

Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)

1.	None
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