

<b>DECISION-MAKER:</b>	AUDIT COMMITTEE STANDARDS AND GOVERNANCE
<b>SUBJECT:</b>	AUDIT COMMISSION: ANNUAL AUDIT LETTER 2010/11
<b>DATE OF DECISION:</b>	06 DECEMBER 2011 13 DECEMBER 2011
<b>REPORT OF:</b>	CHIEF INTERNAL AUDITOR
<b>STATEMENT OF CONFIDENTIALITY</b>	
Not Applicable	

### **BRIEF SUMMARY**

The Annual Audit Letter presents the results of the District Auditor's statutory audit of the Council's 2010/11 financial statements and the assessment of arrangements to achieve value for money in the Council's use of resources.

In accordance with Audit Commission guidelines a copy of the Annual Audit Letter was circulated to all Members by the 30 November 2011

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 Audit Committee notes the Annual Audit Letter 2010/11.

#### **Standards and Governance Committee**

- (i) That the Standards and Governance 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 2011 Annual Audit Letter.

### **REASONS FOR REPORT RECOMMENDATIONS**

#### **Audit Committee**

1. 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.

#### **Standards and Governance Committee**

2. 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 27 of the Accounts and Audit (England) Regulations 2011 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 2010/11 accounts as well as other external inspections carried out within the Council up to the end of December 2011.
6. It is acknowledged in the letter that the continuing economic downturn is likely to mean greater pressure on income streams and an increase in the demand for the Council's services.
7. The main challenges for the Council over the next twelve months include:
  - restructuring of the Council's workforce to improve the efficient working of the Council and reduce the number of senior management posts;
  - the delivery of the estates regeneration programme phases 2 and 3; and
  - joint commissioning with the Primary Care Trust for the commissioning of Adult Health and Social Care.
8. Other challenges the Council will face over the next few years, include:
  - changes proposed in the Government's Welfare Reform Bill, including new arrangements for housing and council tax benefits;
  - changes proposed in the Government's Localism bill, including new arrangements for funding social housing and for enabling local groups to take over community facilities and services; and
  - Government proposals to allow local authorities to retain business rates.
9. The Annual Audit Letter, as attached, has been discussed and agreed with the appropriate officers.

## **RESOURCE IMPLICATIONS**

### **Capital/Revenue**

10. None.

### **Property/Other**

11. None.

## **LEGAL IMPLICATIONS**

### **Statutory power to undertake proposals in the report:**

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

### **Other Legal Implications:**

13. None.

## **POLICY FRAMEWORK IMPLICATIONS**

14. None.

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**KEY DECISION?** No

<b>WARDS/COMMUNITIES AFFECTED:</b>	
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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 2010/11
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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)
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