

ITEM NO: 6

DECISION-MAKER:	AUDIT COMMITTEE		
SUBJECT:	AUDIT COMMISSION: ANNUAL AUDIT AND INSPECTION LETTER 2006/07		
DATE OF DECISION:	27 th MARCH 2008		
REPORT OF:	CHIEF INTERNAL AUDITOR		
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STATEMENT OF CONFIDENTIALITY

NOT APPLICABLE

SUMMARY

The Annual Audit and Inspection Letter presents the results of the statutory audit of the Council's 2006/07 Financial Accounts.

The Annual Audit and Inspection Letter 2006/07 will be formally presented to Council on 19th March 2008.

RECOMMENDATIONS:

- (i) That the Audit Committee notes the Annual Audit and Inspection Letter 2006/07.

REASONS FOR REPORT RECOMMENDATIONS

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.

CONSULTATION

2. The Annual Audit and Inspection Letter, as attached, has been discussed and agreed with the appropriate officers.

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

3. None

DETAIL

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; as such it will be presented to Council on 19th March 2008.
5. The Annual Audit and Inspection letter attached at Appendix 1 sets out the Audit Commission's conclusions and any significant issues arising from the audit of the Council's 2006/07 accounts as well as other external inspections carried out within the Council up to the end of December 2007.

6. The letter confirms that under the Comprehensive Performance Assessment the Council is judged by the Audit Commission to be 'improving well' and that 'the Council's classification has increased to four stars this year'.
7. The letter outlines a number of areas where the Council should focus its attention during the course of next year. It highlights in particular six key actions that require member's attention in 2007/08:
 - Increase the level of income collection from council tax and rents to the average of that of similar councils.
 - Reduce the level of school absences so that the council is no longer designated a Persistent Absence Authority.
 - Improve the stability of placements for looked after children.
 - Address the social care income system interface weaknesses and reconcile the benefit and revenues system with the financial ledger on a monthly basis.
 - Fully integrate financial and performance reporting.
 - Achieve planned savings from procurement.

FINANCIAL/RESOURCE IMPLICATIONS

Capital

8. None

Revenue

9. None

Property

10. None

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

SUPPORTING DOCUMENTATION

Appendices

1.	Annual Audit and Inspection Letter 2006/07
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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)

1.	None	
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Background documents available for inspection at: N/A

FORWARD PLAN No: N/A

KEY DECISION? NO

WARDS/COMMUNITIES AFFECTED: N/A