

ANNUAL AUDIT LETTER 2011/12

Submitted by: Executive Director – Resources and Support Services

Portfolio: Finance and Budget Management

Ward(s) affected: All

Purpose of the Report

To receive the Annual Audit Letter from the Audit Commission dealing with the Audit of Accounts 2011/12 (attached as an appendix).

Recommendation

That the Audit Commission's Annual Audit Letter be received and a copy sent to all elected Members.

Reasons

External audit is an essential element in the process of accountability for public money and makes an important contribution to the stewardship of public resources and corporate governance of public services. This report provides an overall summary of the Audit Commission's assessment of the Council.

The Annual Audit Letter from the Audit Commission dealing with the Audit of Accounts 2011/12 is addressed to the Council, but is also available as a public document for stakeholders, including the community served by the Council.

1. Background

- 1.1 The Audit Commission's Annual Audit Letter summarises the conclusions arising from the audit and inspection of the Council for the financial year 2011/12.
- 1.2 The letter summarises the findings from the 2011/12 audit. It includes messages arising from the audit of the financial statements together with the results of the work that the Audit Commission have undertaken to assess the way the Council is managing performance together with the Council's arrangements for securing value for money in its use of resources.

2. Issues

- 2.1 The Audit Commission has issued an unqualified opinion on the Authority's 2011/12 financial statements and concluded that the Authority has made proper arrangements to secure economy, efficiency and effectiveness in its use of resources.
- 2.2 It has also concluded that there are no matters arising from the value for money work undertaken by the Audit Commission that need to be reported on.

3. Options Considered

- 3.1 To do nothing is not an option for the Council which is striving for excellence.
- 3.2 The Annual Audit Letter is based on information and evidence supplied by officers and

members and has been through a process of quality control. To challenge the reports and review findings is therefore not a feasible option.

3.3 The Annual Audit Letter should be received.

4. **Proposal**

4.1 To receive the Audit Commission's Annual Audit Letter.

5. **Outcomes Linked to Sustainable Community Strategy and Corporate Priorities**

5.1 The Audit Commission, external audit function gives assurance on the stewardship of public resources and effectiveness of its services in terms of value for money as well as contributing to the prevention, detection and investigation of potential fraud and corruption incidents. Audit Commission reports and reviews provide external challenge to the Council through which can be demonstrated improvement in relation to the Corporate Priority of 'Transforming our Council to Achieve Excellence.'

6. **Legal and Statutory Implications**

This report raises no new statutory or legal implications.

7. **Equality Impact Assessment**

There are no differential equality impact issues identified from this proposal.

8. **Financial and Resource Implications**

8.1 This report raises no additional financial or resource implications in itself.

9. **Major Risks**

9.1 The risk of the Council not learning from the issues raised in the Annual Audit Letter may result in the provision of poorer services and increased inspection.

10. **List of Appendices**

Appendix - Annual Audit Letter – September 2012