

AUDIT COMMISSION ANNUAL AUDIT LETTER 2010/11

Relevant Portfolio Holder	Cllr Mike Braley
Portfolio Holder Consulted	Yes
Relevant Head of Service	Jayne Pickering (Exec Director)
Wards Affected	All
Ward Councillor Consulted	None specific

1. SUMMARY OF PROPOSALS

To enable Members to consider the Audit Commission Annual Audit Letter for 2010/11 and to note the action to the recommendations.

2. RECOMMENDATIONS

The Committee is asked to RESOLVE that

the recommendations included in the Annual Audit Letter 2010/11 be noted.

3. KEY ISSUES

Financial Implications

- 3.1 None as a direct result of this report. The work undertaken to Audit the Accounts and prepare the Annual Audit Letter is included in the 2011/12 Audit Commission fee of £134k.

Legal Implications

- 3.2 The Accounts and Audit Regulations 2011 defines the legislation that Authorities have to comply with in preparing their accounts.

Service / Operational Implications

- 3.3 The Annual Audit Letter as attached at Appendix 1 summarises findings from the 2010/11 Audit. This considers 2 elements:

- Audit of financial statements;
- Assessment of Value for Money arrangements.

- 3.4 A number of conclusions have been made by the Commission in relation to these elements. These include:

- The Council manages risk effectively;
- The Council produces a realistic medium term financial plan;
- The savings from shared services have been delivered;

- the Council has a clear plan of addressing financial pressures with the shared service and transformation plans;
- the Council has maintained improvements in financial planning and budgeting;
- there were no significant weaknesses in internal control.

3.5 There were 2 adjustments that were required following identification by the Audit Commission these included:

- Accounting treatment of the lease associated with Threadneedle House;
- Applying the reduced value factor for social housing.

The adjustments were made in the accounts to reflect the correct treatment.

3.6 There were 2 recommendations made by the Commission in the Audit Letter. As members are aware the Council is undertaking a transformation in all services to realise efficiencies whilst improving customer service. The recommendations reflect the need to identify savings and to monitor performances, both which form part of regular reports to Members.

3.7 Officers will continue to work with the Audit Commission to ensure the Councils accounts and financial management arrangements will deliver compliant and informative accounts and policies in the future.

Customer / Equalities and Diversity Implications

3.8 None as a direct result of this report

4. RISK MANAGEMENT

The Financial Services risk register includes the preparation of the accounts and the controls in place to ensure the accounts are treated in compliance with accounting standards.

5. APPENDICES

Appendix 1 – Annual Audit Letter

AUTHOR OF REPORT

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