

AC

Audit Committee - 10th December 2009

7. Annual Audit and Inspection Letter

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Purpose of the Report

This report introduces the annual audit and inspection letter for the 2008/09 financial year.

Recommendation

The Audit Committee is asked to note the contents of the Audit Letter as set out in the report attached following page 13.

Introduction

The review of the Annual Audit and Inspection Letter is included within the remit of the Audit Committee under its terms of reference as follows:

“To consider the effectiveness of SSDC’s risk management arrangements, the control environment and associated anti-fraud and corruption arrangements and seek assurance from management that action has been taken”

“To consider the reports of external audit and inspection agencies and seek assurance from management that action has been taken”

“To review and approve the annual Statement of Accounts, external auditor’s opinion and reports to members and monitor management action in response to issues raised”

Each year the Audit Commission is required to make arrangements for the production of an audit and inspection letter for each local authority. This letter has changed in format slightly for 2008/09. The letter outlines the following:

- A conclusion on the Statement of Accounts;
- A conclusion and Score on the Use of Resources and Value for Money;
- The fees charged by the Audit Commission compared to those budgeted.

The letter no longer carries a “Direction of Travel” judgement – this has in effect been replaced by a judgement on “Managing Performance”. In addition to this it no longer gives a judgement on Data Quality as this has now been included within the overall Use of Resources scores.

The letter will also be considered by both the District Executive and Scrutiny Committee. A copy of the letter will also be sent to all members of the Council.

Statement of Accounts

An unqualified opinion was given on the Statement of Accounts and there were no issues raised within the Annual Audit and Inspection Letter in relation to those accounts.

The Use of Resources Score and Value for Money

The Use of Resources scores for three of the four themes are as follows:

Theme	Score
Managing Finances	3
Governing the Business	3
Managing Resources	3

Managing Resources has a specific theme of Workforce Planning for 2008/09. In 2009/10 the theme covered will be Managing Natural Resources and in 2010/11 will be Asset Management.

The publication of a further score is still pending for the fourth theme of "Managing Performance." The methodology and themes have changed for 2008/09 and scoring a three or four has become much more difficult. It is likely that SSDC is within the top few district authorities in the country with the scores it has achieved.

An unqualified conclusion was given on the Council's arrangements for securing economy, efficiency and effectiveness in the use of resources.

Fees

The fees charged by the Audit Commission were in line with the budgeted fee structure given at £105,896.

Improving Performance

The Council has an Improvement and Development Plan that sets out specific areas that have been identified as needing further improvement. This can be as a result of customer feedback, service inspections, and the audit and inspection letter itself. As with last year's letter, it is senior management's intention to use the information contained within the annual letter to update the plan ensuring improvements are planned for, resourced and achieved.

Financial Implications

There are no financial implications in accepting this report and the associated recommendations.

Background Papers: None.