



**Report to: -Cabinet
Personnel and Resources Committee
Audit Sub-Committee**

Subject: Audit Commission Annual Audit and Inspection Letter (including Use of Resources Assessment)

Date: Audit Sub-Committee – 24 April 2006

Author: Senior Management Team

1. Purpose of the Report

To inform members of the Audit Commission's latest assessment of the Council's overall management arrangements.

2. Background

The Audit Commission assesses the Council's overall management arrangements each year as part of its annual audit and inspection programme.

It publishes its findings in an annual Audit and Inspection letter. For district councils, this letter has to be published by 31 March of the year following the year subject to inspection (i.e. the letter covering arrangements for 2004/05 must be published by 31 March 2006).

These new arrangements replace and supplement the former District Audit management letter with which members may be familiar.

The arrangements incorporate the previous emphasis on financial management, but also bring in wider issues arising from Comprehensive Performance Assessment. These include a Direction of Travel assessment and a scored judgement against the Use of Resources assessment, details of which have previously been reported to members.

3. Results

A copy of the Audit Commission's Annual Audit and Inspection letter covering the period 1 April 2004 – 31 March 2005 is attached for members' information at **Appendix A**.

The letter shows that the Audit Commission believes the Council continues to perform well and that its financial management arrangements are strong.

It also indicates that the council's direction of travel is positive and that performance overall is improving.

The letter also includes the auditor's Use of Resources scored judgement for the Council. The Council has scored 3 overall on this assessment, which means that the Council is performing well in its use of resources, consistently above minimum requirements.

This is a very good assessment for the Council and is likely to be amongst the best results for district councils in the country. It once again demonstrates independently that the Council uses resources well and secures good value-for-money for its council tax payers.

A full copy of the Use of Resources report, including scores for sub-categories, is attached at **Appendix B**.

4. Issues to Progress

The Audit Commission's Relationship Manager will make a presentation to the Council's Audit Sub-Committee on 24 April 2006 to present the Commission's findings in more detail. All members are invited to attend this meeting.

Senior Management Team has welcomed the letter and its content, but also recognises that the Council must strive to improve further where it makes sense to do so. Managers are discussing further areas for improvement with the Relationship Manager with a view to agreeing an appropriate Improvement Plan in the near future.

5. Recommendation

Members are **recommended**: -

- § To accept the annual Audit and Inspection letter, and accompanying Use of Resources report.
- § To note that a presentation on the findings will be made at Audit Sub-Committee on 24 April 2005.