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**ANNUAL AUDIT AND INSPECTION LETTER**

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**Responsible Cabinet Member - Councillor John Williams, Leader  
and all Cabinet Members**

**Responsible Director - Ada Burns, Chief Executive**

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**Purpose of Report**

1. To present the Annual Audit and Inspection Letter.

**Information and Analysis**

2. The attached Letter (**Appendix**) provides an overall summary of the Audit Commission's assessment of the Council, drawing on audit, inspection and performance assessment work. The Letter will be presented at the meeting by Paul Harrison of Pricewaterhouse Coopers.
3. Overall the Letter is extremely positive. The Audit Commission's overall judgment is that the Council is improving well and they have classified the Council at the maximum, four star, in its current level of performance under the Comprehensive Performance Assessment.
4. The main messages for the Council included in the Letter are :-
  - (a) The Council has made progress in all its key priority areas of improving the local economy, raising educational achievement and promoting inclusive communities.
  - (b) Local people rate the Council above average in 11 out of the 14 main user survey indicators.
  - (c) Strong corporate governance arrangements provide a sound basis for continued improvement.
  - (d) The Council's auditors gave an unqualified opinion on the Councils' 2005/06 financial statements.
  - (e) The 2005/06 audit has not been formally closed because of an outstanding issue raised by electors on the legality of specific charges made in relation to taxi licensing.
  - (f) The Council maintained its 2005 score of 3 out of 4 ('performing well') for the 2006 Use of Resources assessment.
  - (g) 2006 was the first year that Councils were assessed on their corporate arrangements to secure data quality. The Council scored 3 out of 4 ('performing well') for this assessment.

- (h) A number of grant claims and returns submitted by the Council during the year were either qualified or required amendment following audit review.
- 5. The Letter also outlines action needed by the Council to continue its efforts to tackle crime and to improve performance on waste management and to improve its grant management arrangements.
- 6. The Letter was presented to the Audit Committee on 28th June, 2007.

### **Outcome of Consultation**

- 7. No consultation was undertaken on the content of this report.

### **Legal Implications**

- 8. This report has been considered by the Borough Solicitor for legal implications in accordance with the Council's approved procedures. There are no issues which the Borough Solicitor considers need to be brought to the specific attention of Members, other than those highlighted in the report.

### **Section 17 of the Crime and Disorder Act 1998**

- 9. The contents of this report have been considered in the context of the requirements placed on the Council by Section 17 of the Crime and Disorder Act 1998, namely, the duty on the Council to exercise its functions with due regard to the likely effect of the exercise of those functions on, and the need to do all that it reasonably can to prevent, crime and disorder in its area. It is not considered that the contents of this report have any such effect.

### **Council Policy Framework**

- 10. The issues contained within this report do not represent change to Council policy or the Council's policy framework.

### **Decision Deadline**

- 11. For the purpose of the 'call-in' procedure this does not represent an urgent matter.

### **Recommendation**

- 12. It is recommended that Cabinet note the Audit and Inspection Letter.

### **Reasons**

- 13. The recommendation is supported to enable Cabinet to receive the results of the external assessment.

**Paul Wildsmith**  
**Director of Corporate Services**

## **Background Papers**

No Background papers were used in the preparation of this report.

Brian James : Extension 2140  
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