
ANNUAL AUDIT AND INSPECTION LETTER

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. 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 continued to make good progress in its top priorities. It continues to improve outcomes for local people. It has consolidated its position in those areas where it performs strongly.
 - (b) The Council has made progress in areas identified in the last assessment, in particular, in community safety and school attendance. It is taking action to address performance in the planning service that is already making an impact.
 - (c) Although the rate of improvement in national performance indicators slowed in 2006/07 compared to other councils, the Council had more indicators in the top quartile.
 - (d) The Council is well organised and highly focused on improvement. Value for money is excellent and improved. Capacity is being improved further, notably through a new partnership with Stockton Borough Council for 'back office' functions.
 - (e) The Council's accounts were signed off with a clear audit opinion in September 2007.
 - (f) The Council maintained a score of 3 out of 4 for the Use of Resources assessment in 2007.
5. The Letter also outlines action needed by the Council to continue its successful focus on areas of poorer service performance and to continue to improve its grant management arrangements. Action has been taken to ensure that grant claims are more accurate, supported by appropriate working papers and submitted on a timely basis. A separate report on today's agenda regarding the grants work undertaken by PwC gives more context and is

positive.

Legal Implications

6. 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

7. 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.

Recommendation

8. It is recommended that the Audit and Inspection Letter be noted.

Paul Wildsmith
Director of Corporate Services

Background Papers

Audit and Inspection Letter – March 2008.

Brian James : Extension 2140
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