

**Subject:** Annual Audit and Inspection  
Letter

**Status:** For Publication

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**Report to:** The Council

**Date:** 27<sup>th</sup> March 2007

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**Report of:** Executive Director of Resources

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**Portfolio**

**Holder:** Portfolio Holder for Finance and Risk Management

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**Key Decision:**

No

Forward Plan

General Exception

Special Urgency

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**1. PURPOSE OF REPORT**

1.1 To present for members' consideration the Annual Audit and Inspection Letter of the District Auditor

**2. CORPORATE PRIORITIES**

2.1 The matters discussed in this report are linked to and support the following corporate priorities:

- *Strong financial management and the delivery of value for money services* – through the demonstration of progress in the way in which the Council manages and demonstrates accountability for its resources.

**3. RISK ASSESSMENT IMPLICATIONS**

3.1 The issues raised in this report involve risk considerations as set out below:

- Specific reference is made to the risks involved in partnerships and the need to create joint risk registers with partners in specific circumstance.
- The bulk of the District Auditor's letter is concerned with the arrangements the Council has in place for managing the various risks facing it. Recommendations for improvement are made in relation to a number of areas.

## **4. BACKGROUND AND OPTIONS**

- 4.1 Attached to this report is a copy of the District Auditor's Annual Audit and Inspection Letter which summarises the work of the Council's external auditors during 2006/07. A representative of the Audit Commission will be present at the meeting of the Council to present this report.
- 4.2 The District Auditor's report is broadly positive setting out the progress the Council has made in improving across a wide range of issues. Of particular note are the consolidation and improvement of the score for Use of Resources, the positive contribution of the Council to the Children and Young People's agenda and the strengthening of performance management, governance and risk management arrangements.
- 4.3 The various pieces of external audit work completed have contained a range of recommendations and these have been picked up by officers in planning work programmes for the coming year. However, in some cases such as the issues relating to ICT security work is already in hand and in this specific case virtually complete.
- 4.4 This meeting of the Council presents an opportunity within the statutory timescales for publication of the Annual Audit and Inspection Letter for members to question the District Auditor. However, it is appropriate that such an important report receive detailed consideration by members and it is therefore recommended that it be submitted to the Audit Scrutiny Committee at its first meeting in the new municipal year.

## **5. COMMENTS OF THE HEAD OF FINANCIAL SERVICES**

- 5.1 There are no immediate financial implications arising from this report. However, a range of specific points made in relation to improvements in terms of operational practices and procedures will be reflected in appropriate business plans.

## **6. COMMENTS OF THE HEAD OF LEGAL AND DEMOCRATIC SERVICES**

- 6.1 There are no specific legal implications arising from this report although the elements of the report referring to ethical standards and broader governance issues have been taken into account in planning for the coming year.

## **7. COMMENTS OF THE HEAD OF HUMAN RESOURCES**

- 7.1 There are no immediate human resources implications arising from this report.

## **8. CONCLUSION**

- 8.1 The District Auditor's Annual Letter indicates positive progress on a broad range of positive issues and makes a range of recommendations which will be taken into account in the further development of the Council's improvement plans.

**9. RECOMMENDATION**

9.1 The Council are recommended to note the District Auditor’s Annual Audit and Inspection Letter and refer it to the Audit Scrutiny Committee for detailed consideration.

**10. CONSULTATION CARRIED OUT**

10.1 None specifically.

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No background papers