

Accounts, Audit and Risk Committee

External Audit: Draft Annual Audit Letter

14 December 2009

Report of Head of Finance

PURPOSE OF REPORT

The purpose of this paper is to inform the Committee of the draft Annual Audit Letter as prepared by the Audit Commission. This report summarises the Audit Commission's findings from the 2008/09 audit. It includes messages arising from the audit of the financial statements and the results of the work undertaken to assess the Council's arrangements to secure value for money in the Use of Resources assessment.

This report is public

Recommendations

The Accounts, Audit and Risk Committee is recommended:

- (1) To note the contents of the Draft Annual Audit Letter :
- (2) To note the opinions of the financial statements, VFM Conclusion and Use of Resources score

Executive Summary

Introduction

- 1.1 The draft Annual Audit Letter is attached in Appendix 1 and the District Auditor will present the contents at the Committee meeting.
- 1.2 The Auditor's opinion of the financial statements relate to the Statement of Accounts, approved by this Committee on September 23 2009 and the annual governance report issued.
- 1.3 The Audit Commission's Code of Audit Practice requires auditors to prepare an annual audit letter and issue it to each audited body.

- 1.4 The purpose of preparing and issuing annual audit letters is to communicate to the audited body and key external stakeholders, including members of the public, the key issues arising from auditors' work, which auditors consider should be brought to the attention of the audited body. The annual audit letter covers the work carried out by auditors since the previous annual audit letter was issued.
- 1.5 The Use of Resources Judgement set out in the attached report forms part of our overall organisational assessment under the new CAA framework. The areas "scored" are broader in scope and depth than the process under the previous Corporate Performance Assessment framework (C.P.A).

Conclusion

- 1.6 All work on the financial statements is complete and an unqualified opinion on the statements and value for money conclusion was given on 25 September 2009.
- 1.7 Under the Use of Resources assessment the Council has received "scores" of 3 – "performing well" in all aspects of this harder test. This reflects clear progress in all elements;
- 1.8 The assessment framework will develop further in the coming year and the Council has ambitions to achieve level 4 in at least 1 of the 3 KLOE`s.
- 1.9 There will also be an additional judgement relating to our use of natural resources.
- 1.10 Officers and Members can be rightly proud of the successful outcomes delivered during the period covered.

Key Issues for Consideration/Reasons for Decision and Options

- 3.1 This report summarises the Audit Commissions findings from the 2008/09 audit. It includes messages arising from the audit of the financial statements and the results of the work undertaken to assess the Council's arrangements to secure value for money in the Use of Resources assessment.

The following options have been identified. The approach in the recommendations is believed to be the best way forward

Option One To note the contents of the report

Option Two To raise issues or questions relating to this report

Implications

- Financial:** There are no financial implications arising from this report but the contents of the report will influence future financial decisions.
Comments checked by Karen Muir, Corporate System Accountant 01295 22159
- Legal:** There are no implications arising from this report
Comments checked by Liz Howlett, Head of Legal and Democratic Services 01295 221686
- Risk Management:** The report provides an independent, external assessment of the Council's performance in key areas of financial management. The findings will help inform and shape improvements in the Council's financial arrangements, reducing the risk of financial failings.
Comments checked by Karen Muir, Corporate System Accountant 01295 22159

Wards Affected

All

Document Information

Appendix No	Title
Appendix 1	Annual Audit Letter
Background Papers	
2008/09 Financial Statements	
2008/09 External Audit Governance Report	
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