

Accounts, Audit and Risk Committee

Annual Audit Letter 2009/10

13 December 2010

Report of Head of Finance

PURPOSE OF REPORT

The purpose of this report is to inform the committee of the Annual Audit Letter as prepared by the Audit Commission. This report summarises findings from the 2009/10 audit of the financial statements and an assessment of the arrangements to achieve value for money in the Council's use of resources.

This report is public

Recommendations

The Accounts, Audit and Risk Committee is recommended to:

- (1) Note the contents of the Annual Audit Letter.

Executive Summary

1.0 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 22 2010 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 In previous years, the letter has also reported on Use of Resources. This work was ceased by the Audit Commission in May under the instruction of the new Conservative Government. \the results of the audit work that was

undertaken to this point are summarised in the letter.

2.0 Conclusion

- 2.1 All work on the financial statements is complete and an unqualified opinion on the statements and value for money conclusion was given on 22 September 2010.
- 2.2 The Council received an unqualified conclusion on its arrangements for securing economy, efficiency and effectiveness in the use of resources.
- 2.3 The actual audit fees for 2009/10 were in line with the budget provision of £120,000.
- 2.4 Officers and Members can be rightly proud of the successful outcomes delivered during the period covered and the continued improvements in financial reporting.

Key Issues for Consideration/Reasons for Decision and Options

- 3.1 This report summarises the Audit Commissions findings from the 2009/10 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.

The following options have been identified.

Option One: To note the contents of the report

Option Two: To raise issues or questions relating to this report

The approach in the recommendations is believed to be the best way forward

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 221559.
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 221559.

Wards Affected

All

Document Information

Appendix No	Title
1	Annual Audit Letter
Background Papers	
Financial Statements 2009/10	
Report Author	Karen Curtin, Head of Finance
Contact Information	01295 221564 jessica.lacey@cherwell-dc.gov.uk