

WYRE FOREST DISTRICT COUNCIL

CABINET MEETING
THURSDAY 27 APRIL 2006

Annual Audit & Inspection Letter 2004/05

OPEN ITEM	
COMMUNITY STRATEGY THEME	Internal Organisational Theme
CORPORATE PLAN THEME:	Improving Corporacy and Performance
KEY PRIORITY:	Corporate Development
CABINET MEMBER:	Councillor. J. Campion
RESPONSIBLE OFFICER:	Chief Executive
CONTACT OFFICER:	Peter Jones Ext. 2723
APPENDIX	Annual Audit & Inspection Letter 2004/05

1. PURPOSE OF REPORT

- 1.1 To bring to Members' attention the contents of the Audit Commission's Annual Audit & Inspection Letter (AAIL) 2004/05.

2. RECOMMENDATION

The Cabinet is asked to DECIDE that:

- 2.1 **The contents of the AAIL attached as Appendix 1 to this report, including the management response in *Appendix 5* to the AAIL, be noted and agreed; and**
- 2.2 **A mid-year progress report be given to Members in October / November 2006 on action taken to address the recommendations and other matters raised in the AAIL, in accordance with improved monitoring arrangements under the Council's Performance Management Framework (PMF).**

3. BACKGROUND

- 3.1 The statutory audit and inspection of the Council's affairs is overseen by the Audit Commission, through the offices of their Relationship Manager (an officer of the Commission) and the Appointed Auditor (currently KPMG). Each year, they produce two joint documents, reporting on:
- their findings over the course of the past year (the AAIL), and
 - their proposals for the forthcoming year (the Annual Audit & Inspection Plan [AAIP]).

The contents of the AAIL are reported to Members now, while the AAIP will be presented to the Audit Panel in June 2006, after it has been finalised.

- 3.2 The AAIL summarises the conclusions and significant issues arising from external audit and inspection work carried out over the past year. The various reports issued during the year are summarised in *Appendix 2* to the AAIL. Its focus overall is on:
- The Council's Accounts and financial aspects of corporate governance, and
 - Performance management, including the Best Value Performance Plan, an assessment of Use of Resources / Value for Money and improvements to services following our Comprehensive Performance Assessment in September 2004.

4. KEY ISSUES

- 4.1 The key messages are summarised on pages 4 and 5 of the AAIL.
- 4.2 Other important issues include areas for development in connection with the Council's use of resources and value for money. These are summarised in *Appendix 4* to the AAIL and will form the basis of an Action Plan currently being developed, and which will be monitored through the PMF.
- 4.3 *Appendix 5* to the AAIL contains specific recommendations on a range of issues, together with management's response, which the Cabinet is asked to endorse. These will also form part of the PMF and progress will be reported to Members in October / November 2006
- 4.4 *Appendix 6* to the AAIL contains a follow-up progress report on action taken in response to the recommendations of the previous AAIL (2003/04)
- 4.5 Audit Commission fees for this work are set out in *Appendix 3* to the AAIL.

5. FINANCIAL IMPLICATIONS

- 5.1 There are no additional financial implications arising from this report.

6. LEGAL AND POLICY IMPLICATIONS

- 6.1 There are no additional legal or policy considerations arising from this report.

7. RISK MANAGEMENT

- 7.1 The AAIL provides a summary of the Council's overall performance in meeting its statutory financial, legal and service-improvement duties. It is essential that the risks identified are addressed and the recommendations acted upon in order to ensure both proper use of public resources and continued compliance with statutory requirements. Progress with action will be reported under the improved monitoring arrangements provided under the PMF.

8. BACKGROUND PAPERS

- 8.1 Audit & Inspection Letter 2003/04