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| <b>COMMITTEE:</b>       | <b>CABINET</b>  |
| <b>DATE:</b>            | <b>WEDNESDAY, 5th DECEMBER 2001</b>   |
| <b>SUBJECT:</b>         | <b>ANNUAL AUDIT LETTER – 2000/2001</b>  |
| <b>REPORT OF:</b>       | <b>CHIEF EXECUTIVE</b>  |
| <b>Ward(s):</b>         | All   |
| <b>Purpose:</b>         | To consider the contents of the Annual Audit Letter and to ask questions of the District Auditor.   |
| <b>Contact:</b>         | Martin Ray, Chief Executive Telephone 01323 415002 or internally on extension 5002.   |
| <b>Recommendations:</b> | <b>To note with satisfaction the content of the Annual Audit Letter 2000/2001 and to request the Chief Executive and Director of Finance and Corporate Services to report regularly to Cabinet to enable the District Auditor's recommendations to be actioned.</b> |

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| <b>1.0</b> | <b><u>Background</u></b>  |
| 1.1        | The Annual Audit Letter summarises the more important matters arising from the audit of the Authority's accounts for 2000/2001. |
| 1.2        | The Auditor has to give an opinion on whether the accounts present the Council's financial position fairly.                     |

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| 1.3 | The Auditor will comment also on the soundness of the Council's financial position, the adequacy and effectiveness of financial controls, standards of financial conduct and the legality of transactions. The Auditor must also review the Council's Best Value Performance Plan, the production of performance information and securing economy, efficiency and effectiveness in the use of resources.  |
| 2.0 | <b><u>The Audit Letter</u></b>  |
| 2.1 | This is attached in full.   |
| 2.2 | <p>The key message from the Audit Letter is set out on Page 2. The District Auditor has expressed the view that:</p> <p>§                   The Council has sound arrangements for discharging stewardship responsibilities</p> <p>§                   There is a high level of commitment to improving public services</p> <p>§                   The Council's overall financial position is strong</p> |
| 3.0 | <b><u>Implications covering Human Resource, Environmental, Financial, Youth and Anti-Poverty Implications</u></b>   |
| 3.1 | There are none  |
| 4.0 | <b><u>Conclusion</u></b>  |
| 4.1 | The messages in the letter are positive. There is further work to be done but the overall content implies that the recommended action can be delivered.   |
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| <p><b>Martin Ray</b></p> <p><b>Chief Executive</b></p>  |  |
| <p><b>Background Papers:</b></p> <p>The Background Papers used in compiling this report were as follows:</p> <p><i>Annual Audit Letter 2000/2001 attached</i></p> <p>To inspect or obtain copies of background papers please refer to the contact officer listed above.</p> |  |
| <p>Mhr/ag/docs/reports/cabinet/dec0501 audit</p>  |  |

A copy of the Audit Letter can be obtained from the Democratic Services Division

Telephone (01323) 415023 or 415022