

 Finance & Audit Scrutiny Committee - 15 November 2011		Agenda Item No. <div style="text-align: right; font-size: 2em; font-weight: bold;">5</div>
Title	Annual Audit Letter 2010/11	
For further information about this report please contact	Mike Snow 01926 456800 Mike.snow@warwickdc.gov.uk	
Service Area	Finance	
Wards of the District directly affected	N/A	
Is the report private and confidential and not for publication by virtue of a paragraph of schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006	No	
Date and meeting when issue was last considered and relevant minute number		
Background Papers		

Contrary to the policy framework:	No
Contrary to the budgetary framework:	No
Key Decision?	No
Included within the Forward Plan? (If yes include reference number)	No

Officer/Councillor Approval		
With regard to officer approval all reports <i>must</i> be approved by the report authors relevant director, Finance, Legal Services and the relevant Portfolio Holder(s).		
Officer Approval	Date	Name
Relevant Director		
Chief Executive		
CMT		
Section 151 Officer		
Legal		
Finance		
Portfolio Holder(s)		
Consultation Undertaken		
Please insert details of any consultation undertaken with regard to this report.		
Final Decision?		Yes/No
Suggested next steps (if not final decision please set out below)		

1. **SUMMARY**

- 1.1 This report comments on the Council's Annual Audit and Inspection Letter that is attached as an Appendix to this report. The letter is the Council's External Auditor assessment of the Council, drawing on audit, inspection and performance assessment work and is prepared by the Council's District Auditor, John Gregory. The External Auditors will attend the Finance and Audit Scrutiny Committee for this item.
- 1.2 Members of the Executive are invited to attend if they wish to discuss any particular matter with the Council's External Auditors.

2. **RECOMMENDATION**

- 2.1 The Committee considers the Annual Audit and Inspection Letter and if necessary agrees any further information required from either officers or the Council's auditors.

3. **REASONS FOR THE RECOMMENDATION**

- 3.1 The Annual Audit and Inspection Letter is a letter to all members of the Council which needs to be given due consideration by appropriate committees.

4. **ALTERNATIVE OPTION CONSIDERED**

- 4.1 The Council's Deputy Chief Executive and S151 Officer could not recommend any alternative action than to consider the External Auditor's report.

5. **BUDGETARY FRAMEWORK**

- 5.1 There are no financial implications associated directly with this report.

6. **POLICY FRAMEWORK**

- 6.1 By considering and addressing the issues raised in the letter members are acting in accordance with their priority of managing services openly, effectively and efficiently.

7. **BACKGROUND**

- 7.1 The auditor's report looks at a number of key areas based on their audit work in relation to 2010/11. This report brings together the main findings from two main areas.
- 7.2 Audit opinion and financial statements. The auditors prepared their Annual Governance Report based on the Council's 2010/11 financial statements. This report was presented to the Finance and Audit Scrutiny Committee on 21 September 2011. The main issues coming out of that report were:-
- The 2009/10 Statement of Accounts received an unqualified audit certificate.
 - Whilst there were some changes proposed to the Accounts that were signed by the S151 Officer in June, and that were considered by Finance and Audit Scrutiny Committee in July, these were not believed to be significant, with some of the changes being for clarity. The number and

the magnitude of the changes are considered to be low when considering that 2010/11 was the first year of the accounts being prepared under the International Financial Reporting Standards, with there being many additional requirements.

- Overall the audit had gone well, with the auditors pleased with the supporting working papers and responses from officers. However, consideration is being given to increase the quality control in the preparation of the Statements.

- 7.3 No significant weaknesses in the Council's internal control arrangements have been identified.
- 7.4 The Annual Audit Letter also includes details of the 2010/11 Value For Money conclusion. This was included within the Governance Reported in September. Against all criteria the Council is assessed as having adequate arrangements to secure, economy, efficiency and effectiveness in its use of resources.
- 7.5 The audit of all the grant and subsidy claims for 2010/11 is nearly complete. The Audit Commission will be issuing a further report on these which should be considered by the Finance and Audit Scrutiny Committee in later in the year.