

TONBRIDGE & MALLING BOROUGH COUNCIL

AUDIT COMMITTEE

6 April 2006

Report of the Chief Executive

Part 1- Public

Matters for Information

1 ANNUAL AUDIT AND INSPECTION LETTER

A report advising of receipt of the Annual Audit and Inspection Letter.

- 1.1 Attached is the statutory Annual Audit and Inspection Letter produced by our District Auditor and Relationship Manager.
- 1.2 The Letter is the prime means through which the results of audit and inspection activity are communicated to elected Members and the public and other stakeholders.
- 1.3 Once again I think it is fair to say that the Letter is very positive about the Council's performance and finances.
- 1.4 A new feature this year was the requirement to form a judgement on the Council's use of resources, which looked at the financial and strategic management of the Authority. Pleasingly, the judgement reached is that the Council is at level 3 which is described as "Consistently above minimum requirements - performing well".
- 1.5 Members will note that for internal control a score of 2 out of 4 was awarded. This is because at the time of the review, although the Council had established an Audit Committee it had not actually met and thus could not be said to be properly embedded. All other things being equal, we would expect to be awarded level 3 for this element in future judgements.
- 1.6 Very few authorities indeed have been awarded an overall judgement of 4. In Kent, for example, four Councils scored 3, seven scored 2 and one scored 1. Thus, no Council achieved a score of 4.
- 1.7 Over the next few months the Director of Finance and I will make an assessment of the work that would be needed to upgrade all of our scores for the individual components to level 4 and will advise the Cabinet of our conclusions. It will be for the Cabinet to make a judgement on the priority that should be given to achieving the highest level relative to other corporate priorities.

- 1.8 The work of the District Auditor and staff for the Audit Commission gives an independent and informed opinion of the Council's performance and financial management and is an important component of the Council's accountability to its residents and council taxpayers. The judgements contained in the Letter demonstrate that the Council continues to perform in a manner that befits its status as an 'Excellent' Council.

Background papers

contact: David Hughes

Nil

David Hughes
Chief Executive