

TONBRIDGE & MALLING BOROUGH COUNCIL

AUDIT COMMITTEE

25 June 2007

Report of the Chief Executive

Part 1- Public

Matters for Information

1 ANNUAL AUDIT AND INSPECTION LETTER

The purpose of this report is to inform members of the receipt of the Annual Audit and Inspection Letter.

1.1 Introduction

1.1.1 The Audit Commission is an independent body responsible for ensuring that public money is spent economically, efficiently and effectively, to achieve high-quality local services for the public. They work to ensure that public services are good value for money and that public money is properly spent.

1.1.2 Attached is the statutory Annual Audit and Inspection Letter. The Letter is the prime means through which the results of audit and inspection activity are communicated to elected members, the public and other stakeholders.

1.2 Annual Audit and Inspection Letter

1.2.1 This Letter provides an overall summary of the Audit Commission's assessment of the Council, drawing on audit, inspection and performance assessment work and is prepared by our Relationship Manager. In this report, the Commission summarises findings and conclusions from the statutory audit reported to the October 2006 meeting of this Committee.

1.2.2 Once again I think it is fair to say that the letter is very positive about the Council's performance and finances. Reading from the report, the main messages for the Council included in this Letter are:

- The Council has sustained the high level of performance noted in its CPA, and reported in our subsequent Audit Letters. Services are delivered to a consistently high standard, and the principles of good performance management are firmly embedded and clearly understood by staff at all levels of the Council.

- The Council continues to manage its resources well and deliver value for money.

1.2.3 The Use of Resources assessment is an important component of the CPA framework and the score is derived from the assessments made by the auditor in the following areas: Financial Reporting; Financial Management; Financial Standing; Internal Control; and Value for Money.

1.2.4 We received an overall score of 3 out of 4 which is described as “is performing well - consistently above minimum requirements”. The scores for each of the five themes are given below (score for previous years in brackets) which shows an improvement on the assessment for 2005.

Financial Reporting	4 (3)
Financial Management	3 (3)
Financial Standing	3 (3)
Internal Control	3 (3)
Value for Money	3 (3)

1.2.5 The Director of Finance met with our Audit Manager in late March to discuss the outcome of the 2006 assessment with a view to identifying areas where we might focus our attention to improve the Council’s overall score. In order to achieve a 4 overall we must attain at least 3 4’s and 2 3’s. Since that meeting a paper has been presented to Management Team assessing what work could be done to upgrade our scores for each theme to 4 and on the priority that should be given to achieving the highest level relative to other corporate priorities.

1.2.6 This Letter will be published on the Audit commission’s website at www.audit-commission.gov.uk and also on the Council’s website.

1.2.7 The Audit Commission is to carry out the 2007 Use of Resources assessment in respect of district councils in July/August 2007 to bring them into line with other tiers of local government.

1.3 Legal Implications

1.3.1 The Audit and Inspection Letter fulfils the requirement to communicate the results of audit and inspection activity to elected members, the public and other stakeholders.

1.4 Financial and Value for Money Considerations

1.4.1 None.

1.5 Risk Assessment

1.5.1 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