

	<p style="text-align: center;"><b>Audit Committee</b> 4<sup>th</sup> March 2009</p> <p style="text-align: center;"><b>Report from the Director of Finance and Corporate Resources</b></p>
Wards Affected: NONE	
<p><b>External Audit Progress Report</b></p>	

## 1. Summary

- 1.1. Members are asked to consider the Audit Commission progress report on work completed since the Audit Committee meeting in September. Audit Commission officials will be at the meeting to answer any questions you have on the progress report.

## 2. Recommendations

- 2.1. The Audit Committee note the progress report of the Audit Commission.

## 3. Detail

- 3.1. The attached progress report from the Audit Commission sets out work carried out by the Audit Commission on the 2008/09 audit and inspection plan, the planned timetable for developing the 2009/10 audit and inspection plan, and information on recent Audit Commission publications.

- 3.2. Two further reports are also attached, as follows:

- a. The Use of Resources report for 2008, including the scores awarded to the council. The council's score on Use of Resources in 2008 remained a 3 overall (on a scale which ranges from 1 to 4 with 1 being 'inadequate performance', 2 'adequate performance', 3 'performing well', and 4 'performing strongly'). The council scored 3 or above on all the sub-themes within the Use of Resources judgement. Two of the scores were reduced compared to 2007 as follows:

- Financial Reporting reduced from a 4 to a 3 as a result of a new Level 4 requirement in 2008 for the annual report to include details of the council's environmental footprint. Whilst the council is doing a lot to reduce its environmental footprint, data on this was not included in our annual report.

- Financial Standing reduced from a 4 in 2007 to a 3 in 2008 because of the potential impact of the council's investment in Icelandic banks.

There are a number of improvement opportunities identified within the report which will be prioritised as part of the council's commitment to on-going improvement of its Use of Resources.

- b. Final accounts report. The Audit Commission considers the council 'performs well' on financial reporting both in terms of producing the annual accounts in accordance with relevant standards and timetables and in promoting external accountability. The key areas of focus for improvement following the audit of the 2007/08 accounts were already reported to the Audit Committee in September 2008 in the Audit Commission's ISA (International Standard on Auditing ) 260 report. However there were a number of detailed issues that the Audit Commission identified as needing to be addressed and these are set out in their Final Accounts Report. This report is primarily targeted at council officers and details of officer responses to each of the recommended actions are included within it. However, given that this is the first year that the Audit Commission had audited the council's accounts and also in order to give the Audit Committee a flavour of the other issues that had been raised, officers decided to attach this report as well.

#### **4. Financial Implications**

4.1. None

#### **5. Legal Implications**

5.1. None

#### **6. Diversity Implications**

6.1. None

#### **7. Background Papers**

7.1. None

#### **8. Contact Officer Details**

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