

ANNUAL AUDIT LETTER 2009/10
(Report by the Head of Financial Services)

1. INTRODUCTION

- 1.1 The Annual Audit Letter summarises the key issues arising from the work that our external auditors (Grant Thornton) have carried out during their 2009/10 audit. It is designed to communicate the key messages to the Council and external stakeholders, including members of the public. It will be published on the Audit Commission's website at www.audit-commission.gov.uk and also on the Council's website.
- 1.2 This year's Letter is attached as Annex A and it will be presented to the Panel by Liz Sanford from Grant Thornton.
- 1.3 Our new auditors, PriceWaterhouseCoopers, have now started their interim work for 2010/11 and so the Panel may wish to take the opportunity to thank Grant Thornton for their contribution to raising and maintaining the Council's standards of governance over the last 5 years.

2. CONTENT

- 2.1 The Letter refers to the audit of the 2008/09 accounts and last year's Use of Resources results, both of which have previously been reported to the Panel.
- 2.2 The auditors include two "Key areas for Council action" which are reproduced below:
- ***The Council will be unable to assess the real impact of the October Comprehensive Spending Review (CSR) until the grant figures are published in early December. The Council has identified the need to make a minimum of £6.4m savings over the four year period to 2014/15; however, it is estimating that this requirement could rise to £10m unless the new homes reward grant is significant. Whatever the result, major levels of savings will still be required. This will be a major challenge and critical to it achieving this will be the strength of its strategic financial planning arrangements and the deliverability of its savings plans. The Council will need to consider the services it delivers and how it delivers them and where savings and changes can be made whilst minimising the impact on the standard of service delivery.***

- ***As part of its savings plans, the Council is planning to reorganise its management structures. The Council has a voluntary redundancy scheme in place and the Chief Executive's application has been recommended by the Employee Selection Panel and considered by Cabinet, and is shortly to be considered by Council. Given the financial challenges facing the Council, it is critical that the Council acts quickly to ensure there are effective and strong leadership arrangements in place to lead the Council through the delivery of its savings plans over the forthcoming months and years.***

2.3 The Letter will be circulated to all members following the Panel's meeting.

BACKGROUND INFORMATION

Panel Reports on Audit of 2008/09 accounts and Use of Resources

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