

MUNICIPAL YEAR 2005/2006 REPORT NO. 290

MEETING TITLE AND DATE:

CABINET - 8th February 2006
COUNCIL – 22nd February 2006
AUDIT COMMITTEE – 5th April
2006

REPORT OF:

Chief Executive

Agenda – Part: 1	Item: 5
Subject: Relationship Manager and District Auditor's Annual Audit and Inspection Letter	
Wards: All	
Cabinet Member consulted: Councillor Michael Rye, Leader of the Council	

Contact officer and telephone number: Rob Leak 020 8379 3901

E mail: Rob.Leak@Enfield.Gov.UK

1. EXECUTIVE SUMMARY

The Annual Letter summarises for Members the more important matters arising from the Relationship Manager and District Auditor's audit and inspection programme for 2004/05 and comments on current issues.

2. RECOMMENDATIONS

That Cabinet note the contents of the Annual Letter. Councillors can raise any issues, arising from the Letter, with the District Auditor who will be present at the meeting.

3. BACKGROUND

- 3.1 As in previous years the Letter comments on performance and financial aspects of the audit and inspection programme. The Letter's key messages are concerned with both council performance, and accounts and governance (summarised on page 2 of the Letter).
- 3.2 As Members will already be aware "the Council is improving well and has achieved an overall comprehensive performance assessment (CPA) of three stars". The Letter highlights both the areas where improvements have been made and the issues yet to be addressed.

- 3.3 The accounts have again been issued with an unqualified opinion. General Fund balances have been maintained in line with the Council's target although Members will be aware that financial pressures remain.
- 3.4 The weaknesses in the award of the SEN transport contract have been reported to Cabinet and a management review is underway.
- 3.5 The section on 'Action needed by the Council' is dealt with in greater depth in the body of the Letter.
- 3.6 The remainder of the Letter expands on these key messages and the presentation will highlight those areas that the District Auditor considers most relevant for Members.

4. ALTERNATIVE OPTIONS CONSIDERED

- 4.1 Not applicable. The District Auditor is required to issue an Annual Letter.

5. REASONS FOR RECOMMENDATIONS

- 5.1 That Members be aware of the important issues arising from Inspections and the audit of accounts.
- 5.2 The Letter assists in demonstrating to the Council that its financial arrangements are sound.
- 5.3 Members will receive reports throughout the next 12 months on the progress made to implement the key recommendations in the Annual Letter.
- 5.4 A copy of the Letter will be provided to each Councillor in accordance with the Code of Audit Practice.

6. COMMENTS OF THE DIRECTOR OF FINANCE AND CORPORATE RESOURCES AND OTHER DEPARTMENTS

6.1 Financial Implications

There are no financial implications.

6.2 Legal Implications

The Audit and Inspection Annual Letter is prepared as part of the key responsibilities of Audit Commission Inspectors' contained in the Audit Commission Act 1998 and Section 10 of the Local Government Act 1999.

The Council is required to consider the Letter and take action as appropriate in response to the various recommendations.

6.3 Property Implications

There are none.

6.4 Other Directors

Other Directors have been consulted on, and made comments on the draft Annual Letter.

7. PERFORMANCE MANAGEMENT IMPLICATIONS

7.1 The Annual Letter is a fundamental complement to the detailed work carried out by the Audit Commission and other Inspectors,

7.2 Its focus is on driving improvements in the Council's services by focusing on key elements of our performance management arrangements.

8. PUTTING ENFIELD FIRST

8.1 The Annual Letter, and future plans, consider the significant financial and operational risks to the Council and so contribute generally and specifically to the Council objectives.

Background Papers

The Annual Letter is attached and has been sent to all Members.