

## MUNICIPAL YEAR 2006/2007 REPORT NO. 239

### MEETING TITLE AND DATE:

CABINET – 22<sup>nd</sup> March 2007  
COUNCIL – 28<sup>th</sup> March 2007  
AUDIT COMMITTEE – 22<sup>nd</sup>  
March 2007

### REPORT OF:

Chief Executive

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

Contact officer and telephone number: Rob Leak 020 8379 3901

E mail: [Rob.Leak@Enfield.Gov.UK](mailto: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 2005/6 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 4 of the Letter).

- As Members will already be aware "the Council is improving well and has achieved an overall comprehensive performance assessment (CPA) of three stars".

- 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.
  - The Council has received an unqualified conclusion on its arrangements for securing value for money.
- 3.2 The section on 'Action needed by the Council' is dealt with in greater depth in the body of the Letter but the key points are as follows:
- enhance its focus on those higher-priority services where improvement is slower (housing) or performance has dipped (culture);
  - embed the improved arrangements for securing value for money Council-wide; and
  - review the asset management strategy on an ongoing basis.
- 3.3 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.
- 3.4 Members will receive reports throughout the next 12 months on the progress made to implement the key recommendations in the Annual Letter. A copy of the Letter will be provided to each Councillor in accordance with the Code of Audit Practice.

#### **4. ALTERNATIVE OPTIONS CONSIDERED**

- 4.1 Not applicable. The District Auditor is required to issue an Annual Letter and it is essential that the Letter is considered by Council.

#### **5. REASONS FOR RECOMMENDATIONS**

- 5.1 Members should 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.

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

##### **6.1 Financial Implications**

There are no financial implications arising specifically from the issuing of the Letter.

## **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. 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.