

PERFORMANCE AND GOVERNANCE COMMITTEE – 10 JANUARY 2012

ANNUAL AUDIT LETTER 2010/11

Report of the: Deputy Chief Executive and Corporate Resources Director

Status: For Information

This report supports the Key Aim of Effective Management of Council Resources

Portfolio Holder Cllr Ramsay

Head of Service Head of Finance and Human Resources -Tricia Marshall

Recommendation: That the report be noted.

Introduction

1 The District Auditor, Andy Mack, would like the opportunity to present to Members the District Audit 2010/11 Annual Audit Letter for Sevenoaks District Council. The Letter is attached as an Appendix.

Summary

2 The Annual Audit Letter covers the audit of the 2010/11 financial statements and the District Auditor's assessment of the Council's arrangements to achieve value for money in its use of resources. Both of these areas have received very positive comments.

3 The District Auditor has given an unqualified opinion on the Council's financial statements. The financial statements were prepared for the first time under the requirements of International Financial Reporting Standards (IFRS). This required a significant effort from officers and the external audit team to ensure the financial statements adopted by members complied with the new reporting requirements.

4 The outcome of the external audit of the 2010/11 accounts was reported to this committee on 27 September 2011.

5 The District Auditor has given an unqualified value for money conclusion stating that the Council has proper arrangements in place for securing economy, efficiency and effectiveness. The following specific items are mentioned in the letter:

- the Council continues to have strong governance, a highly effective financial planning framework and very good financial management. It took early action to address financial pressures and has strong arrangements in place to secure financial resilience;

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- the Council takes a strategic approach to prioritisation of resources and achievement of cost reductions through improved efficiency and productivity. It has embraced partnership working and moves rapidly to adopt new joint arrangements working with staff and empowering decision making.

Conclusion

- 6 It is pleasing to note the positive comments made by the District Auditor about the Council's performance in the challenging financial environment in which it is operating.

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**DEPUTY CHIEF EXECUTIVE AND
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