

AUDIT AND GOVERNANCE COMMITTEE

14 December 2012

AUDIT COMMISSION ANNUAL AUDIT LETTER 2011/2012

Report of the Executive Director of Commercial and Corporate Services

1.0 Purpose of Report

- 1.1 The report details the Audit Commission's (AC) Annual Audit Letter (AAL) covering the year 2011/2012. A copy is attached.

2.0 Description of Decision

- 2.1 The Audit and Governance Committee is recommended to note and comment on the contents of this positive report.

3.0 Introduction

- 3.1 The Audit Commission's Code of Audit Practice requires auditors to prepare an AAL and issue it to each audited body. The purpose of preparing and issuing AALs is to communicate to the audited body and key external stakeholders, including members of the public, the key issues arising from the auditors' work, which auditors consider should be brought to the attention of the audited body.
- 3.2 The AAL summarises the findings of the 2011/12 audit, which comprises two elements:
- An audit of the Council's financial statements
 - An assessment of the Council's arrangements to achieve value for money in the use of resources
- 3.3 The AAL, because of the date it was received by the council, has already been formally reported to Cabinet at its meeting held on 10th October 2012 but is also presented to this committee for information.

4.0 Summary Position

- 4.1 The AAL is extremely positive overall providing a strong endorsement of the financial management and planning and governance arrangements in place across the Council.

4.2 The District Auditor issued an unqualified audit opinion on the Council's financial statements and an unqualified Value for Money conclusion. The report confirms that the Council:

- Has proper arrangements in place to ensure its financial resilience.
- Has successfully delivered one of the most significant financial challenges that it has ever faced in delivering a 2011/2012 budget containing £58m cuts in government funding and other cost pressures without the need for redundancies.
- Has closely monitored its budget during the year to ensure that savings and efficiencies were delivered effectively.
- Has made proper arrangements to secure economy, efficiency and effectiveness in its use of resources
- Is continuing to identify ways of improving service efficiencies and new ways of working and to improve service delivery and outcomes with fewer resources.

5. Alternative Options

5.1 Not applicable as the report is for information only.

6. List of Appendices

Appendix A - Sunderland City Council Annual Audit Letter 2011/2012