

## CABINET MEETING – 10TH OCTOBER 2012

### EXECUTIVE SUMMARY SHEET – PART I

**Title of Report:**

Audit Commission Annual Audit Letter 2011/2012

**Author(s):**

Executive Director of Commercial and Corporate Services

**Purpose of Report:**

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

**Description of Decision:**

Cabinet is recommended to:

- Note and comment on the contents of this positive report, and
- Refer the report to Council for their consideration

**Is the decision consistent with the Budget/Policy Framework?** Yes

**If not, Council approval is required to change the Budget/Policy Framework**

**Suggested reason(s) for Decision:**

Government regulations require the AAL to be published. In addition to publication as part of the Cabinet, Scrutiny Committee and Council Agendas, and its publication on the AC website it is proposed to place the full report on the Council website.

**Alternative options to be considered and recommended to be rejected:**

Not applicable as the report is for information only.

**Impacts analysed:**

Equality

☒

Privacy

☒

Sustainability

☒

Crime and Disorder

☒

**Is this a "Key Decision" as defined in the Constitution?** No

**Is it included in the 28 day Notice of Decisions?** Yes

**Scrutiny Committee**

## **Cabinet Meeting – 10<sup>th</sup> October 2012**

### **AUDIT COMMISSION ANNUAL AUDIT LETTER 2011/2012**

#### **Report of the Executive Director of Commercial & Corporate Services**

#### **1.0 Purpose of Report**

- 1.1 This 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 Cabinet is recommended to:

- Note and comment on the contents of this positive report, and
- Refer the report to Council for their consideration

#### **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

#### **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.

## **5.0 Reasons for Decision**

- 5.1 Government regulations require the AAL to be published. In addition to publication as part of the Cabinet, Scrutiny Committee and Council Agendas, and its publication on the AC website it is proposed to place the full report on the Council website.

## **6. Alternative Options**

- 6.1 Not applicable as the report is for information only.

## **7. List of Appendices**

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

## **8. Background Papers**

- 8.1 There were no background papers relied upon to complete this report.

