

**MAIDSTONE BOROUGH COUNCIL**

**AUDIT COMMITTEE**

**26 NOVEMBER 2012**

**REPORT OF HEAD OF FINANCE & CUSTOMER SERVICES**

**Report prepared by Paul Holland**  
**Senior Accountant (Client)**

**1. AUDIT COMMISSION'S ANNUAL AUDIT LETTER 2011/12**

1.1 Issue for Decision

1.1.1 To consider the Audit Commission's Annual Audit Letter covering the year 2011/12. The letter provides a summary of the findings and the conclusions which have arisen during the Audit Commission's audit and inspection programme.

1.2 Recommendation of Head of Finance & Customer Services

1.2.1 It is recommended that Audit Committee note and comment on the Audit Commission's Annual Audit Letter to Maidstone Borough Council and make any recommendations to Cabinet.

1.3 Reasons for Recommendation

1.3.1 The annual audit letter, attached as Appendix A, provides a summary of the results of the Audit Commission's inspection activity at the Council during 2011/12.

1.3.2 In previous years the letter has been a more substantial document, but as the main issues arising from the audit were dealt with in the Annual Governance Report which was presented to the last meeting of the Committee this is a shorter summary document this year.

1.4 Issues Raised Within the Assessment

1.4.1 Following the last Audit Committee meeting the District Auditor wrote to the Chairman to bring to his attention the changes made to the Statement of Accounts that had been presented to the Committee for approval. A copy of this letter is attached as Appendix B.

1.4.2 The District Auditor subsequently issued an unqualified opinion on the 2011/12 Statement of Accounts, and concluded that proper arrangements were in place to secure economy, efficiency and effectiveness in the use of resources.

1.4.3 The letter also concludes that Council continues to maintain an effective financial planning framework and is well placed to address the continuing financial pressures. However it does also note that there is scope for improvement in the preparation of the financial statements and the supporting working papers, and officers will be working with the external auditors to make the necessary improvements.

1.5 Alternative Action and why not Recommended

1.5.1 The Committee, and the Council, could chose not to acknowledge the comments made by the Audit Commission, but this is an independent view of how the authority is operating. It offers stakeholders an opportunity to gain a view of how the Council is performing in a range of areas including value for money.

1.6 Impact on Corporate Objectives

1.6.1 The Council is committed to delivering on its priorities and securing value for money. This letter is one measure of how successful that commitment is.

1.7 Risk Management

1.7.1 Risk Management forms a key part of the corporate governance arrangements that are assessed as part of the annual audit and are commented on in this letter.

1.8 Other Implications

1.8.1

1. Financial
2. Staffing
3. Legal
4. Equality Impact Needs Assessment
5. Environmental/Sustainable Development
6. Community Safety

X

- 7. Human Rights Act
- 8. Procurement
- 9. Asset Management


1.8.2 The financial implications are dealt with within the Appendices.

1.9 Relevant Documents

1.9.1 Appendix A – Audit Commission’s Annual Audit Letter 2011/12

1.9.2 Appendix B – Letter to the Chairman of the Audit Committee

1.10 Background Documents

1.10.1 None.

**IS THIS A KEY DECISION REPORT?**

Yes

No

If yes, when did it first appear in the Forward Plan?

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This is a Key Decision because: .....

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Wards/Parishes affected: .....

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