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**REPORT TO:** FINANCE & MANAGEMENT

**AGENDA ITEM:** 7

**DATE OF MEETING:** 17<sup>TH</sup> JANUARY 2002

**CATEGORY:**  
DELEGATED

**REPORT FROM:** CHIEF FINANCE OFFICER

**OPEN**  
**PARAGRAPH NO:** N/A

**MEMBERS' CONTACT POINT:** TERRY NEAVES (EXT 5800)

**DOC:**  
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pt\council\17.01.02\annualauditltr20  
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**SUBJECT:** ANNUAL AUDIT LETTER 2000/2001

**REF:** TN

**WARD(S) AFFECTED:** ALL

**TERMS OF REFERENCE:** CE1

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## **1.0 Recommendations**

### **1.1 Members are asked to:-**

- Note the Annual Audit Letter (Appendix A).
- Approve the response to the Key Messages within the letter as set out in Appendix B.

## **2.0 Purpose of Report**

- 2.1 To ask Members to consider the Annual Audit Letter, produced by the District Auditor. (N.B. This was previously known as the Management Letter).
- 2.2 Mr Phil Jones, District Auditor will attend the meeting and present the Management Letter. He will be available to answer any questions that members may wish to raise concerning the letter.

## **3.0 Detail**

### **Background**

- 3.1 The Council's External Auditors, District Audit have a duty to report formally on the performance of our organisation. Their opinion is set out in their Annual Audit Letter, which accompanies this report.
- 3.2 The Annual Audit Letter covers the Financial Year up to the end of March 2001 (2000/2001). It does however also comment on events and action relevant to the Council's financial and management performance after that date.

## **General Comments**

- 3.3 At the outset it is important to emphasise that the Council has now received an unqualified opinion on its accounts for 2000/2001.
- 3.4 The Annual Audit Letter also confirms that there are no issues surrounding the legality of financial transactions to report to Members.
- 3.5 On a more general note, the letter points to positive progress made by the Council in addressing a range of Financial and managerial issues over the last year:
- \* "building blocks" in place for improving performance management with coherent links between corporate plan, departmental plans and service plans
  - \* positive and prompt action taken to stabilise financial position.
- 3.6 While significant progress has been made the report sets out a number of key messages. The Council's response to these key messages is set out in Appendix B.

## **4.0 Financial Implications**

- 4.1 There are no financial implication stemming directly from the report. Nevertheless the Management Letter clearly raised a number of financial issues that the Council is taking action to address.