

<b>REPORT TO THE FINAL ACCOUNTS AND AUDIT COMMITTEE</b>		Report No. 11
Date of Meeting	25 September 2007	
Title of Report	Audit Letter Action Plan	
Link to Corporate Priorities	All	
Public Report	Yes	

### Summary of Report

To present to the Committee a progress update against the agreed recommendations arising from the Annual Audit and Inspection Letter for 2005/06 and the associated Use of Resources Assessment of March 2007.

### Officer Recommendations

- 1) That the Action Plan progress update be noted.
- 2) That a further update be presented to the Committee in April 2008.

Other than those implications agreed with the relevant Officers and referred to below, there are no other implications associated with this report.

Financial Implications	Legal Implications	Community & Environmental Implications	Human Resources Implications	Equality & Diversity Implications
None	None	None	None	None

<b>Contact Officer</b>	Sue Pangbourne, Deputy Chief Executive 01249 706559      spangbourne@northwilts.gov.uk
------------------------	---

## 1. Introduction

- 1.1 The Annual Audit and Inspection Letter (AAIL) provided an overall summary of the Audit Commission's assessment of the Council, drawing on audit, inspection and performance assessment work over the past year. The AAIL included a review of how well the Council has progressed (Direction of Travel) and an assessment of how well the Council has managed its finances (Use of Resources). The AAIL and a more detailed assessment on Use of Resources was also received by this Committee in April 2007, alongside an action plan set against the recommendations made by the Audit Commission.

## 2. Options and Options Appraisal

- 2.1 Option 1: To note and comment upon the progress update against the agreed recommendations from the AAIL and Use of Resources Assessment, as set out in Appendix 1. There are no other options.

## 3. Background Information

- 3.1 The main messages in the Annual Audit and Inspection Letter were:
- Many services that contribute to corporate priorities are improving, but the picture is mixed and some under-performing services that were identified in last year's assessment are not showing consistent or steady improvement.
  - An unqualified opinion was issued on the Council's 2005/06 financial statements and the Council was judged to have had adequate arrangements in place for achieving value for money.
  - The Council has taken steps to improve its performance management framework, including a fundamental review of priorities and the purpose of its corporate plan.
- 3.2 The Use of Resources Assessment confirmed that the Council had improved its performance since last year and had achieved a satisfactory Level 2 in all five elements of the assessment. However, this is the minimum level of acceptability and the Council is now aiming to achieve Level 3, which would provide greater assurance in its governance arrangements.
- 3.3 Appendix 1 provides a progress update against the agreed action plan arising from the recommendations made in the AAIL and the Use of Resources Assessment.

## 4. Risk Analysis

- 4.1 The Audit Commission assess risk to the Council in all their work. The main risk to the Council inherent in this report is that the action plan is not completed on time and, as a result, the Council is not as effective and efficient as it could be, with this being reflected in future Audit Commission reports.

<b>Appendices:</b>	• <b>Appendix 1. Action Plan Update</b>
<b>Background Documents Used in the Preparation of this Report:</b>	• <b>None</b>

### Previous Decisions Connected with this Report

<b>Report</b>	<b>Committee &amp; Date</b>	<b>Minute Reference</b>
<b>Annual Audit and Inspection Letter 2005/06 and Use of Resources Assessment March 2007</b>	Final Accounts & Audit Committee, 16 April 2007	<b>FA59</b>