

FINAL ACCOUNTS & AUDIT COMMITTEE  
26 September 2005

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**AUDIT COMMISSION INTERIM AUDIT REPORT – AUDIT 2004-05**

**Purpose of the Report**

1. The attached report from the Audit Commission presents findings from initial review work in respect of the audit year 2004-2005.

**Background**

2. The report reviews core processes, and financial aspects of corporate governance and presents the detailed findings, recommendations and an agreed action plan. It also describes the joint working agreement with internal audit and contains an action plan of work resulting from the audit.

**Main Considerations for the Committee**

3. The report concludes that:-

“Our overall conclusion is that the Council has satisfactory arrangements and processes in place for all areas reviewed. We have concluded that your core processes are sound and provide a good basis for your statement of accounts. There is a low risk of these core processes failing to identify errors or misstatements that would be material to the financial statements. This re-affirms the assumptions behind our Audit and Inspection Plan and our audit of the financial statements has been tailored accordingly.”

4. The Action Plan at appendix 2 contains the recommendations from the Auditors, responses from officers and implementation dates for achieving improvements.

**Environmental Impact of Proposals**

5. None identified

**Risk Assessment**

6. In addressing the recommendations in the report, officers will ensure that risks identified will be mitigated.

### **Financial Implications**

7. The majority of the recommendations in the report can be achieved within existing resources. Plans to develop processes through Business Process Engineering, BPR, included investment in new systems subject to satisfactory business cases.

### **Reason for Proposals**

8. The report provides an interim view of findings, with the final report and management letter anticipated in January 2006.

### **Proposals**

9. Members are asked to note the report, recommendations and agreed action plan.

MIKE PRINCE  
County Treasurer

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Unpublished documents relied upon in the production of this report: NONE