

Annual Audit Letter

West Sussex County Council

Audit 2008-2009

December 2009



Contents

Key messages	3
Financial statements and annual governance statement	7
Value for money and use of resources	11
Closing remarks	18
Appendix 1 – Action Plan	19

Status of our reports

The Statement of Responsibilities of Auditors and Audited Bodies issued by the Audit Commission explains the respective responsibilities of auditors and of the audited body. Reports prepared by appointed auditors are addressed to non-executive directors/members or officers. They are prepared for the sole use of the audited body. Auditors accept no responsibility to:

- any director/member or officer in their individual capacity; or
 - any third party.
-

Key messages

This report summarises the findings from our 2008/09 audit. It includes messages arising from the audit of your financial statements and the results of the work I have undertaken to assess your arrangements to secure value for money in your use of resources.

Audit Opinion

- 1** I issued a late qualified opinion on the County Council's financial statements on 27 November 2009. My opinion was qualified on the grounds of disagreement on the treatment of the valuation basis for residential care homes included in the statements. Other than the disagreement referred to, my opinion concluded that the statements present fairly the financial position of the Council.
- 2** The qualification related to the completion of twelve residential care homes with a construction value of £67 million. Based on the evidence I obtained, the valuation of these assets within the balance sheet was understated, and the impairment charge to the income and expenditure account overstated, by approximately £43.6 million.
- 3** In reaching my opinion on the statements I also considered the following three other significant issues.
 - The Council's proposal to release of £9 million previously earmarked as voluntary minimum revenue provision.
 - The Council's proposed treatment of the losses arising from its investments with Heritable.
 - Guidance received from the Audit Commission in relation to the pooling and investment of pension fund and County Council monies.
- 4** In all three cases I concluded that there was no material impact on either my opinion or my value for money conclusion.
- 5** I issued an unqualified opinion on the Pension Fund statements on 12 October 2009 for inclusion in the Pension Fund Annual Report. The issue of the opinion was delayed because there were delays in providing me with the required information to complete my audit testing.

Financial statements

- 6** The financial statements presented for audit were not improved from 2007/08, although the working papers to support the audit of the financial statements were generally adequate. The statements contained a significant number of errors, including some with a material impact. Many of these errors related to the fixed asset entries in the accounts.

- 7 My annual governance report for the Council sets out the details of the issues identified during the audit and includes an action plan with forty five recommendations. We will monitor progress against these actions throughout the year and this will be reported to each Regulation, Audit and Accounts Committee.
- 8 The pension fund accounts presented for audit were generally of a good quality. I noted a number of qualitative issues in the statements but these were addressed prior to the issue of my audit opinion. My annual governance report for the Pension Fund sets out the issues raised and includes four recommendations which are specific to the Pension Fund.

Material weaknesses in internal control

- 9 As reported in my supplementary audit opinion plans for the Council and the Pension Fund in June 2009, I was not able to fully rely on controls testing of the Council's key financial systems because I identified a number of weaknesses in the design and operation of its internal controls. Recommendations have been previously made in respect of these weaknesses but were not actioned. This has led to additional audit testing and fee.

Value for money and use of resources

- 10 I gave an unqualified conclusion on the Council's arrangements for securing economy, efficiency and effectiveness in the use of resources. In reaching this conclusion I carefully considered the impact of the qualification on the financial statements as well as the pooling of pension and county funds and the release of the minimum revenue provision.
- 11 My use of resources assessment concluded that the Council and Fire Service have arrangements that are consistent with established professional practice and guidance, meet statutory requirements and operate effectively. I concluded that the Council and Fire Service are performing well in the managing finances theme. The Council is also performing well in managing resources, and I identified an example of notable practice in the external reporting of the Council's sustainability performance. I also noted some areas for improvement, which have been discussed with the Council and Fire Service.

Other issues

- 12 We have maintained a watching brief over the implementation of the Council's fundamental services review, agreement of the Materials Resource Management Contract (MRMC) with a private partner, the development of the joint street lighting PFI and its preparations for the introduction of Internal Financial Reporting Standards. All these areas represent significant challenges for the Council and we will continue to monitor progress during 2009/10.

Key messages

Audit fee

13 I issued my plan for the 2008/09 audit in May 2008. I issued supplementary audit plans for the County Council and the Pension Fund in June 2009. I have now completed the 2008/09 audit and I am in a position to confirm the final fee for the County Council and Pension Fund for that audit year. Table 1 sets out the original planned fee and the final actual fee.

14 The final fee reflects the additional work undertaken in the following areas:

- Substantive testing where there were control weaknesses in the County Council's and Pension Fund systems.
- Specialist technical and legal advice in respect of the release of the minimum revenue provision; the accounting treatment of Heritable; the risks highlighted by the Audit Commission around pooled council and pension fund investments; completion of IT risk assessments; the accounting treatment for the waste minimisation partnership known as 'Better Tomorrow's, the MRMC and Street lighting PFI schemes; and the valuation advice in respect of the residential care homes.
- It also reflects the extensive additional audit work required, due to the significant number of errors identified during the accounts audit, particularly in relation to fixed assets and the subsequent delayed, qualified audit opinion.

Table 1 Audit fees (excluding grant certification fees)

	Actual	Planned	Variance
Financial statements and annual governance statement	£230,100	£141,500	£88,600
Use of resources	£60,200	£60,200	£0
Use of resources (fire and rescue)	£11,300	£11,300	£0
Data quality	£23,800	£23,800	£0
Whole of government accounts	£3,500	£3,500	£0
West Sussex Pension Fund	£53,800	£48,000	£5,800
IT risk assessment	£2,900	*	£2,900
MRMC and Street lighting	£14,000	*	£14,000
Additional substantive testing	£15,000	*	£15,000
Better tomorrows	£5,400	*	£5,400
Inspection	£16,400	£16,400	£0
Total audit fees	£436,400	£304,700	£131,700

* Note: these estimated additional fees were notified to the Regulation Audit and Accounts Committee in June 2009.

15 I am working closely with the Council and Internal Audit to identify opportunities for ensuring that the 2009/10 audit fees are minimised as far as possible. However, the extent of the issues arising from my audit this year will mean that I will need to review my planned audit approach, and associated fee, for 2009/10.

Actions

- 16** This report includes one recommendation. This has been agreed with the Finance Director who will take regular reports to the Regulation, Audit and Accounts Committee to demonstrate progress against the recommendation.

Independence

- 17** I can confirm that the audit has been carried out in accordance with the Audit Commission's policies on integrity, objectivity and independence.

Financial statements and annual governance statement

The Council's financial statements and annual governance statement are an important means by which the Council's accounts for its stewardship of public funds.

Opinion on the County Council's financial statements

- 18** I issued a qualified opinion on the County Council's financial statements on 27 November 2009. My opinion was qualified on the grounds of disagreement on the treatment of the valuation basis for residential care homes included in the Council's financial statements.
- 19** The qualification relates to the completion of twelve residential care homes with a construction value of £67 million. Ten of these twelve homes were correctly reclassified at 31 March 2009 as operational assets – land and buildings, with a valuation of £8.4 million on the Council's balance sheet. An associated impairment charge of £47.8 million, reflecting the write down from construction cost, was included in the income and expenditure account.
- 20** Based on the evidence I obtained, the valuation of these assets within the balance sheet is understated, and the impairment charge to the income and expenditure account overstated, by approximately £43.6 million.
- 21** Other than the disagreement referred to, my opinion concluded that the statements present fairly the financial position of the Council.
- 22** My opinion was delayed beyond the 30 September 2009 deadline due to the additional audit testing I had to undertake in respect of residential care homes, and other audit testing which resulted from the large number of issues and errors identified in the financial statements.
- 23** In reaching my opinion on the statements I also considered the following three other significant issues.
- The Council's proposal to release of £9 million previously earmarked as voluntary Minimum Revenue Provision.
 - The Council's proposed treatment of its Heritable investment losses.
 - Guidance received from the Audit Commission in respect of the pooling and investment of pension fund and County Council monies.

Release of voluntary minimum revenue provision

- 24** The Council wished to use £9 million previously earmarked as voluntary minimum revenue provision to support a series of specific revenue pressures in its 2010/11 budget. It obtained Counsel's opinion and considered that the redeployment of such revenue reserves for specific service benefits could be achieved by the use of the power of economic, social and environmental well-being set out in the Local Government Act 2000.
- 25** I considered advice from the Audit Commission's technical support team and concluded that this action is unlikely to be declared unlawful and that there was no material impact on my opinion or my value for money conclusion.

Heritable losses

- 26** The Council had investments with Heritable Bank plc, which was placed into administration in October 2008. LAAP Bulletin 82 sets out the accounting treatment for the impairment of these investments. The Finance Director asked me to consider an alternative proposed accounting treatment. I compared the Finance Director's proposed accounting treatment with that specified in LAAP Bulletin 82 and concluded that, although his proposals would not lead to a material misstatement in the current or future years' financial statements, they were not compliant with the requirements of financial reporting standards and the Local Government Statement of Recommended Practice 2008. I was satisfied that the reasons provided by the Finance Director and approved by the Regulation, Audit and Accounts Committee were to aid transparency and were not material to the financial statements. The draft accounts incorrectly included a £3.6 million debit which the Council has now been adjusted by £1 million so that the statements now show a £2.6 million debit.

Pension Fund and County Council investment pooling

- 27** I considered advice from the Audit Commission received in September 2009 in respect of the pooling and investment of Pension Fund and County Council monies. The County Council obtained its own legal advice from its Monitoring Officer and considered that it is operating within its powers.
- 28** I considered the impact of the current arrangements on the financial statements of both the County Council and the Pension Fund and I concluded that this would not have a material impact. However, I will continue to review this area during 2009/10 with the Finance Director to ensure that any issues that need to be addressed are actioned.

Opinion on the Pension Fund Statements

- 29** I issued an unqualified opinion on the Pension Fund statements for inclusion on the Pension Fund Annual Report on 12 October 2009. My opinion was delayed due to the late receipt of information I required to complete my audit testing on those statements.

Financial statements and annual governance statement

- 30** My work on pension contribution bandings was significantly delayed as the scheduled and admitted bodies did not supply all the required information to Pension Services in a timely fashion. This also prevented County Council staff from undertaking early work on contributions which may have reduced the level of testing I was required to undertake.

Errors in the financial statements

- 31** I identified a number of errors and uncertainties in relation to the specific audit risks that I reported to you in my supplementary opinion audit plans for the County Council and the Pension Fund in June 2009. The audit work I undertook and my findings in respect of these issues were reported in the annual governance reports for the County Council and Pension Fund.

Capital accounting

- 32** I identified a large number of significant errors in the Council's treatment of the revaluation and impairment of its fixed assets. These included the double counting of some assets on the Council's asset register, inconsistent accounting treatment of land and buildings, depreciation and asset life and classification errors. The details of these, including fourteen recommendations, are reported in the County Council's annual governance report.
- 33** Other testing identified further errors in respect of asset classification, valuation, the capitalisation of some expenditure, the treatment of disposals and certain capital accounting disclosures. The Council was also unable to provide the supporting evidence for all items selected for testing due to invoices being archived without referencing.

Other items

- 34** I made a further eighteen recommendations in the annual governance report on other aspects of the financial statements. These included recommendations in respect of improved senior manager review of the statements presented for audit, review of provisions and bad debt provisions, the treatment of the Better Tomorrows partnership in the statements and the annual governance statement,

Pension fund statements

- 35** I noted a small number of errors in the pension fund financial statements provided for audit, some of which were amended. The unadjusted errors did not affect my audit opinion.

Material weaknesses in internal control

- 36** As reported in my supplementary audit opinion plans for the County Council and the Pension Fund in June 2009, I was not able to fully rely on controls testing of the Council's key financial systems because I identified a number of weaknesses in the design and operation of its internal controls.

- 37** My 2007/08 annual governance report included recommendations that would have addressed these weaknesses, but these had not been implemented. Other weaknesses were identified from my interim audit work on the Council's systems in May 2009.
- 38** These weaknesses have resulted in additional detailed testing in respect of the County Council and Pension Fund and led to increased audit fees for the Council. My annual governance report for 2008/09 sets out thirteen recommendations in respect of these control weaknesses.

Accounting Practice and financial reporting

- 39** I considered the qualitative aspects of your financial reporting.
- 40** The County Council's accounts presented for audit contained a significant number of errors, including some errors with a material impact. There were also a number of typing, addition and cross referencing errors in the draft accounts.
- 41** A more detailed review by senior finance staff of the draft statements and underlying working papers could have identified and corrected some of the errors and misstatements that were identified during the course of the audit.
- 42** I identified a number of inconsistencies and non compliance with the Statement of Recommended Practice with the Pension Fund statements provided for audit. All the suggested changes were amended in the revised statements.

Preparations for the implementation of International Financial Reporting Standards (IFRS)

- 43** Although the first full year of IFRS compliant accounts in local government is 2010/11, 2009/10 is the transition year. During 2009/10 the Council should be developing IFRS implementation plans, identifying the high risk areas in its financial statements and ensuring that it has adequate data systems in place to ensure that it can capture the required information to restate its 2009/10 figures.
- 44** I have reviewed the progress made to date by the Council and concluded that further significant work is required. Given the issues encountered with the fixed assets accounting entries during the 2008/09 audit, and the requirement for early adoption of certain aspects of the standards in 2009/10, IFRS implementation is likely to prove particularly challenging for the Council.

Recommendation

- R1** The Regulation, Audit and Accounts Committee and the Cabinet member for Resources should regularly monitor the Council's response to the qualified opinion, the recommendations made in our Annual Governance Report and the Council's progress in preparing to comply with Internal Financial Reporting Standards.

Value for money and use of resources

I considered how well the Council is managing and using its resources to deliver value for money and better and sustainable outcomes for local people, and gave a scored use of resources judgement.

I also assessed whether the Council put in place adequate corporate arrangements for securing economy, efficiency and effectiveness in its use of resources. This is known as the value for money (VFM) conclusion.

VFM Conclusion

- 45** I assessed your arrangements to secure economy, efficiency and effectiveness in your use of resources against criteria specified by the Audit Commission. From 2008/09, the Audit Commission specify each year which of the use of resources KLOE are the relevant criteria for the VFM conclusion at each type of audited body.
- 46** I issued an unqualified conclusion stating that the Council had adequate arrangements to secure economy, efficiency and effectiveness in its use of resources.

Use of resources judgements

- 47** My assessment is that the Council and Fire Service have arrangements that are consistent with established professional practice and guidance, meet statutory requirements and operate effectively. I concluded that the Council and Fire Service are performing well in the managing finances theme. The Council is also performing well in managing resources, and I identified an example of notable practice in the external reporting of the Council's sustainability performance. I also noted some areas for improvement, which have been discussed with the Council and Fire Service
- 48** In forming my scored use of resources judgements, I have used the methodology set out in the [use of resources framework](#). Judgements have been made for each key line of enquiry (KLOE) using the Audit Commission's current four point scale from 1 to 4, with 4 being the highest. Level 1 represents a failure to meet the minimum requirements at level 2. I have also taken into account, where appropriate, findings from previous use of resources assessments (updating these for any changes or improvements) and any other relevant audit work.
- 49** I am required to assess the County Council and Fire and Rescue Service separately. In a number of areas the integrated nature of the Fire Service also means that it relies on the Council's arrangements. In 2008/09 the Audit Commission specified different areas of assessment in theme three (managing resources) for county councils and fire services. At West Sussex County Council I have assessed the use of natural resources and strategic asset management. For West Sussex Fire and Rescue Service I have assessed workforce planning.

West Sussex County Council

50 The Council's use of resources theme scores are shown in Table 2. I have summarised my assessment under each theme below.

Table 2 West Sussex County Council Use of resources theme scores

Use of resources theme	Scored judgement
Managing finances	3
Governing the business	2
Managing resources:	3 (overall)
• Use of natural resources	3
• Asset management	2

Managing finances - the Council

- 51** The Council effectively integrates financial planning with strategic processes on a medium- to long-term basis, but there is scope to increase the use of financial modelling and benchmarking. It can clearly demonstrate that financial planning contributes to improved outcomes in relation to its priorities. The Council engages well with communities and stakeholders in its financial planning. It has consistently managed spending within available resources.
- 52** The Council has a good understanding of its costs from the Fundamental Services Review Programme (FSR) and is on target to deliver efficiency savings. However, going forward it faces the challenge of delivering the significant benefits planned from FSR.
- 53** The Council's financial reporting generally meets the needs of internal users, stakeholders and local people and is timely but the flexibility of access to and reliability of financial information could be improved. Its annual reports on sustainability performance are considered best practice. At the time of my assessment the audit of the financial statements was not complete. I have carefully considered the impact of the issues arising from this audit. I have concluded that whilst the production of statutory accounts did not meet minimum requirements, the remaining requirements of this key line of enquiry were achieved.

Value for money and use of resources

Governing the business - the Council

- 54** The Council is developing a clear vision of intended outcomes for local people, which shapes its commissioning and procurement. This is based on an ongoing analysis and understanding of needs. However, its approach to fully understanding the diverse needs of the local community is still developing. There are good processes in place to support procurement and a corporate approach to commissioning is in development. Through FSR the Council is innovative in integrating and improving services and is actively exploiting technology to improve services.
- 55** The Council is continuing to develop its approach to securing the quality of its data and it now has robust structures in place to support delivery of good data quality. However, there are data quality issues in some services and the level of manual interventions is high. The Council ensures data security and compliance with relevant statutory requirements but needs to develop its enhanced code of connection and provide staff training in this area.
- 56** The Council has adopted and promotes the principles of good governance. These principles, and the effective arrangements to manage the risk of fraud and corruption, need to be extended to partnerships. Work is underway to address this. The Council can also demonstrate an ethical framework and culture.
- 57** The Council has risk management processes but these need to be considerably strengthened to ensure they are embedded across the organisation. Work is underway to address this. It has a generally sound system of internal control, but there are a number of weaknesses in internal financial control arrangements that need to be addressed.

Managing resources – the Council

- 58** The Council can demonstrate that it understands and has information to quantify or estimate much of its use of natural resources and can demonstrate a strong reducing trend. It has a sustainability strategy and action plans to deliver reductions. This is supported by a framework to ensure all major decisions across the Council assess sustainability. I identified its reporting of sustainability through its participation in the national sustainability reporting programme as best practice.
- 59** The Council's asset management arrangements need strengthening, and plans are in place to address this. The Council has changed its organisational structure to improve the strategic approach taken. There is a lack of comprehensive data to allow a strategic approach to realising the full value from the Council's portfolio. The Council does not actively compare performance between buildings or property classifications, but processes are being put in place to change this. There is scope to increase the joint use of assets and the Council is assessing this.

West Sussex Fire and Rescue Service

60 The Fire and Rescue Service use of resources theme scores are shown in Table 3. I have summarised my assessment for each theme below.

Table 3 West Sussex Fire and Rescue Service Use of resources theme scores

Use of resources theme	Scored judgement
Managing finances	3
Governing the business	2
Managing resources: <ul style="list-style-type: none"> • Workforce 	2

Managing finances - the Fire Service

- 61 The Service is fully integrated with the Council’s financial planning processes. Financial planning is integrated with strategic and service planning processes and improved outcomes can be demonstrated. The Service engages well with communities and stakeholders in its service and financial planning. It has consistently managed spending within available resources.
- 62 The Service has a good understanding of its costs and there is good evidence of the Service shifting resources to improve performance. In partnership with the Council, robust processes are in place to ensure costs are taken into account in decision making and commissioning. The Service is on target to deliver its efficiency savings and achieved the 23rd highest level of savings nationally.
- 63 The Service relies on the Council’s arrangements to ensure financial reporting is timely and meets the needs of internal users, stakeholders and local people. As noted for the Council, the flexibility of access to, and reliability of, financial information could be improved.

Governing the business - the Fire Service

- 64 The Service’s Integrated Risk Management Plan (IRMP) reflects local priorities well. Decisions on procurement consider the impact on the IRMP and balance cost and quality. The Service uses the Council’s procurement arrangements as well as regional procurement arrangements for more fire specific items.
- 65 The Service relies on Council arrangements for securing reliable data and information to support decision making and manage its performance. It shares the strengths and areas for improvement noted for the Council. Spot checks on a number of performance indicators carried out specifically at the Service identified some errors in the quality of the data produced.

Value for money and use of resources

- 66** The Service has adopted and promotes the principles of good governance, relying in the main on the Council's arrangements. As for the Council, the arrangements to prevent fraud and corruption need to extend to its partnerships and the Fire Service has made good progress to address this which is currently being shared with the Council. It maintains good focus on its purpose and can demonstrate an ethical framework and culture.
- 67** Overall risk management within the Fire Service is good with all levels contributing to risk management mapping. However, the Service relies in part on the Council's corporate risk management arrangements which need to be significantly strengthened. The Service also relies on the Council's internal control arrangements but as noted above there are a number of weaknesses to be addressed.

Managing resources - the Fire Service

- 68** The Service has a productive and skilled workforce in place, although there are gaps in relation to retained fire-fighters where recruitment is difficult. There is no overarching recruitment strategy but there is a strategy focussed on the highest area of risk - recruitment and retention of retained staff. Gaps have been identified and the Service is starting to systematically address these.
- 69** The Service's approach to workforce planning is developing and it is starting to be embedded into service business plans. The Service reviews and monitors its plans using workforce indicators where available. Staff development and talent management are at an early stage.
- 70** The Service, alongside the Council, is developing Work Impact Assessments and is focused on building capacity through a range of methods. The approach to managing the workforce implications of organisational change needs to be strengthened as this is not yet systematic.
- 71** The Service is working to improve its reporting capacity on Equality and Diversity. It also has policies which support diversity and good people management such as flexible working. It complies with equalities legislation and is working to improve the diversity profile of its workforce. Performance in this area is improving but remains mixed. However, I noted exceptional performance in relation to disabled staff.

Other issues

- 72** During the year I have monitored Council's activity in three key areas.
- The public, private partnership project in respect of waste minimisation, known as the Materials Resource Management Contract (MRMC).
 - The street lighting PFI scheme.
 - Implementation of the Fundamental Services Review.
 - Its contribution to improvements in health inequalities in West Sussex.

Materials Resource Management Contract and street lighting PFI

- 73** During 2008/09 the Council has been working closely with its private partners in respect of its waste minimisation project and working with two other county councils to agree a joint Street lighting PFI scheme.
- 74** The Council is involved in the latter stages of negotiation in respect of the two projects, both of which represent significant audit risks because of their scale and complexity.
- 75** I have maintained a watching brief over both projects, assessing the impact on the Council's financial statements and any use of resources implications. The Council's arrangements for assessing the financial impact of the MRMC project remain a particular area of consideration given the scale and value of the contract. Both projects are expected to achieve financial close during 2009/10. I will continue to review the projects up to contract signature, and assess the Council's arrangements for contract management once the projects are in operation.

Fundamental Services Review

- 76** The Fundamental Services Review (FSR) is a three-year transformation programme aimed at improving customer experience. There are seven work streams. The change programme will be informed by the outcome of individual service reviews which were completed across all key services during 2008.
- 77** The programme of savings and change agreed by Members in July is very challenging and ambitious. There is no clearly communicated contingency plan in place to meet planned savings if the programme is not delivered, other than reductions in services currently provided. This presents a potentially significant risk to the Council, and should be reviewed. Given the scale and importance of the programme, I will continue to keep the FSR under review during 2010.

Health inequalities

- 78** Our cross sector county wide review of the effectiveness of the arrangements to address health inequalities throughout West Sussex has been undertaken in two phases. The first phase was completed in early 2008, and phase two was concluded in September 2009. The review involved West Sussex PCT, West Sussex County Council, Sussex Police, Sussex Partnership Foundation Trust, Western Sussex Hospitals NHS Trust and all district and borough councils in West Sussex.
- 79** Phase one highlighted that partners have a good understanding of the health of local people and good progress had been made to reduce health inequalities. Important organisational delivery structures were in place, including the establishment of five Local Neighbourhood Improvement Areas in the areas of most deprivation in the county. Partners were developing a clear strategic direction although there was no formal strategic framework in place. We agreed an action plan with West Sussex PCT (the lead organisation) to progress key issues arising from the review.
- 80** Phase two addressed the key question of 'How likely are partnership arrangements in West Sussex to reduce health inequalities across the local population?' It also reviewed progress made against the agreed phase one action plan.

Value for money and use of resources

- 81** Good progress has been made against the action plan in most areas particularly in relation to the development of partnership working and the establishment of countywide structures to support work to reduce health inequalities. In our view the health inequalities partnership arrangements in West Sussex are likely to reduce health inequalities across the local population. However, a county wide health inequalities action framework has not yet been developed. This means that the work taking place to reduce health inequalities is not being led at a county level, with the potential for conflicting plans and reduced success in tackling health inequalities. We have agreed an action plan and will continue to work with partners during 2009/10 to follow up progress.

Closing remarks

- 82** I have discussed and agreed this letter with the Chief Executive and the Finance Director. I will provide copies to all members.
- 83** Further detailed findings, conclusions and recommendations in the areas covered by our audit are included in the reports issued to the Council during the year.

Table 4

Report	Date issued
Audit Plan	May 2008
Supplementary Opinion Plan	June 2009
Annual Governance Report	November 2009

- 84** The Council has taken a positive and constructive approach to our audit. I wish to thank the Council staff for their support and co-operation during the audit.

Helen Thompson
District Auditor
January 2010

Appendix 1 – Action Plan

Page no.	Recommendation	Priority 1 = Low 2 = Med 3 = High	Responsibility	Agreed	Comments	Date
11	R1 The Regulation, Audit and Accounts Committee and the Cabinet member for Resources should regularly monitor the Council's response to the qualified opinion, the recommendations made in our Annual Governance Report and the Council's progress in preparing to comply with Internal Financial Reporting Standards.	3	Finance Director Chief Accountant	Yes	Reports will be taken to each Regulation, Audit and Accounts Committee to monitor progress against the 2008/09 Annual Governance Report recommendations. The Chief Accountant plans to brief the Regulation, Audit and Accounts Committee on the Council's approach to the adoption of International Financial Reporting Standards.	June 2010 March 2010

The Audit Commission

The Audit Commission is an independent watchdog, driving economy, efficiency and effectiveness in local public services to deliver better outcomes for everyone.

Our work across local government, health, housing, community safety and fire and rescue services means that we have a unique perspective. We promote value for money for taxpayers, auditing the £200 billion spent by 11,000 local public bodies.

As a force for improvement, we work in partnership to assess local public services and make practical recommendations for promoting a better quality of life for local people.

Copies of this report

If you require further copies of this report, or a copy in large print, in Braille, on tape, or in a language other than English, please call 0844 798 7070.

© Audit Commission 2009

For further information on the work of the Commission please contact:

Audit Commission, 1st Floor, Millbank Tower, Millbank, London SW1P 4HQ

Tel: 0844 798 1212 Fax: 0844 798 2945 Textphone (minicom): 0844 798 2946

www.audit-commission.gov.uk
