



DERBY CITY COUNCIL

**COUNCIL**  
**25 FEBRUARY 2006**

Report of the Director of Resources

## **2004/5 JOINT AUDIT AND INSPECTION LETTER**

### **RECOMMENDATIONS**

- 1.1 To receive the Joint Audit and Inspection Letter.
- 1.2 To note that the Accounts and Audit Committee will discuss details of the letter at its next meeting.

### **SUPPORTING INFORMATION**

- 2.1 The Audit Commission and the Council's external auditors, PriceWaterhouseCoopers, now produce a joint audit and inspection letter in place of the previously separate Relationship Manager's Letter from the Commission and the Annual Management Letter from the external auditors.
- 2.2 The joint letter summarises the Commission's performance and inspection work and provides the annual 'Direction of travel statement' on progress made in addressing our priorities and the auditor's work on the Council's accounts and governance. It has also been informed by the November 2005 Corporate Assessment undertaken as part of the Comprehensive Performance Assessment, CPA.
- 2.3 It is expected that the contents of the letter will be reported to Members at a formal meeting of the Council, in accordance with the Council's constitution.
- 2.4 A copy of the Joint Letter is attached at Appendix 2.
- 2.5 The letter provides an extremely positive report on the Council's progress in 2004/05 and its continuing good governance and financial management. The Executive Summary identifies some of the key issues, which are highlighted here.
- 2.6 The key messages are as follows ...
  - The Council has achieved the highest '4' star overall CPA category and is assessed as 'improving well'.
  - A good track record of continuous improvement is noted with marked improvements in some key service areas including adult social care and waste recycling.
  - The Council has made a strong contribution to wider community outcomes and delivering shared priorities including the urban regeneration of the city centre.
  - Improvement had not been as strong in planning and some elements of education. It is noted however that the Council has achieved most of its targets.

- Our external auditors comment that we have strong financial management to underpin the commitment to low council tax.
- The auditors have issued an unqualified opinion on the 2004/5 best value performance plan and annual accounts.

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**Background papers:**

**List of appendices:**

Appendix 1 – Implications

Appendix 2 – 2004/5 Joint Audit and Inspection letter

<b>IMPLICATIONS</b>
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**Financial**

1. Actual audit fees for 2004/5 of £262,500 were in line with the proposals in the Audit Plan. This marks a significant reduction over previous years due to our excellent status.

Audit fees for 2005/6 audit will depend on the Audit Plan which will be reviewed to make sure it remains appropriate. As an Excellent council, we can expect lower inspection fees to continue.

**Legal**

2. The Joint Audit and Inspection letter has been produced in accordance with Section 10 of the Local Government Act 1999 and the Audit Commission's Code of Audit Practice.

**Personnel**

3. None directly arising from the report.

**Equalities impact**

4. None directly arising from the report.

**Corporate objectives and priorities for change**

5. None directly arising from the report.