

ANNUAL AUDIT AND INSPECTION LETTER 2004/05

LEAD OFFICER: Sue Borwick

REPORT AUTHOR: Sue Borwick

Summary: To present the annual audit and inspection letter 2004/05 and gain approval on the actions required as a result of the recommendations made.

Recommendation:	That the report and action plan be noted and approved.
------------------------	--

Resource Implications: None other than officer time.

LA 21 Implications: None

Rural Implications: None

**Crime & Disorder Act
Implications:** None

Key Decision Status

- **Financial:** None

- **Ward:** None

Other Ward Implications: None

1. INTRODUCTION

1.1 The Annual Letter from the Audit Commission is attached at Appendix A, summarises the conclusions and significant issues arising from the 2004/05 audit and inspections of the Council.

2. KEY MESSAGES RAISED AND ACTIONS REQUIRED

2.2 **Governance** – In the 2003/04 Audit and Inspection Letter, Audit Commission included a statutory recommendation due to the seriousness of our concerns regarding the overall corporate governance arrangements in place at the Council.

2.3 The recommendation required the Council to 'strengthen overall corporate governance arrangements and in particular, ensure implementation of the recommendations already made in Audit Commission, Internal Audit and Overview and Scrutiny reports for such improvements'.

2.4 The audit and inspection letter states:

“The Council has made significant progress in strengthening the overall corporate governance arrangements in the last year. However, not all of the audit recommendations have been implemented to ensure that the risk of fraud, corruption or other error is reduced to a minimum”

2.5 The Council has already addressed the main outstanding issues and is monitored as part of the good governance standard. Any further actions required from the Audit letter are included in the action plan attached at Appendix B.

- 2.6 **Council performance** – The Annual letter recognises that the Council has continued to make progress in implementing the improvement plan developed in response to the issues identified in the comprehensive performance review in 2003. The corporate plan for 2005/07 has been refreshed and provides a clear medium-term focus for the local area connected to the community strategy for the West Cumbria area.
- 2.7 It also recognises that the Council has also successfully completed a number of large projects to further improve the quality of services, including transferring the ownership and management of the Council's housing stock to a Housing Association, Copeland Homes; and has relocated its main offices to new accommodation built using a Private Finance Initiative (PFI) scheme.
- 2.8 The letter identifies that an ongoing improvement programme further effort is required to strengthen internal quality assurance of performance information. The review of best value performance indicators (BVPIs) identified data which was unreliable or required significant amendments. Performance information is used to measure the cost and quality of council services.
- 3 **CONCLUSION**
- 3.1 The annual letter required The Council to ensure that the outstanding corporate governance recommendations are fully implemented and that the Council should improve the accuracy of published performance information and indicators used to manage council services by strengthening the internal quality review of this data.
- 3.2 The implementation of the Action Plan will ensure the recommendations in the Audit letter are met in particular. A follow up of agreed actions will be carried out in line with normal internal audit practice and presented to the Audit Committee at a future meeting.

List of Appendices

Appendix A - Audit Letter
Appendix B – Action Plan

List of Background Documents: Corporate Governance Report, Audit inspection reports.