

**27<sup>th</sup> February 2006**

**Annual Audit and Inspection  
Letter**

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**Report of Head of Overview and Scrutiny**

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**Purpose of Report**

1. To draw attention to some issues relevant for Scrutiny in the attached Annual Audit and Inspection Letter.

**Background**

2. PricewaterhouseCoopers was the appointed external auditor to the Council until the end of 2004/5 financial year. The Audit Commission is now the appointed auditor from April 2005. The Council's external auditors are required to report annually to the Council in accordance with a Code of Practice. The attached report has been prepared jointly by PricewaterhouseCoopers and the Audit Commission.
3. Perhaps the main message for the non-executive members arising from the attached report are:
  - Value for money needs to be a key priority for the Council.
  - The Council should focus on areas of under-performance, particularly waste recycling, access to buildings and sickness absence and should continue its work to improve its performance on diversity and equalities.
  - A plan for the implementation of group accounts should be implemented for the production of this year's accounts.
4. Representatives from PricewaterhouseCoopers and the Audit Commission will be attending the Sub-Committee meeting.

**Recommendation**

5. You are asked to consider the report from the Audit Commission. The advice about the current action needed by the Council is particularly helpful in deciding the areas which could most usefully be scrutinised to assist the Council's performance.

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