

**Cabinet**

**6 November 2012**

Report of the Cabinet Member for Corporate Services

**City of York Council Annual Audit Letter 2011/12 – Audit Commission**

**Summary**

1. The purpose of this report is to provide members with the Audit Commission's Annual Audit Letter which summarises the 2011/12 audit of City of York Council.
2. Attached at Annex A is the Audit Commission's City of York Council Annual Audit Letter 2011/12, to be presented at this meeting.

**Background**

3. The Annual Audit letter is issued each year by the Council's external auditors – Audit Commission. It concludes the findings of their audit on the financial statements and value for money of the Council.
4. At Audit & Governance Committee on 27 September 2012 the financial statements were approved and members noted the Council's arrangements for securing economy, efficiency and effectiveness in its use of resources.
5. The Value for Money conclusion assesses the Council's arrangements against two criteria – financial resilience and securing economy, efficiency and effectiveness.
6. The Annual Audit letter also certifies the completion of the audit and the Council's Whole of Government Accounts pack, which the government uses to consolidate the whole of the public sector's accounts.
7. It is a statutory requirement for the Audit Commission to produce the Annual Audit Letter and for the Council to provide a copy to all of its elected members. The letter is made available to members

of the public, partners and stakeholders through publication on the Council and Audit Commission websites.

### **Analysis**

8. The Annual Audit letter confirms the financial standing of the Council by providing an unqualified opinion of the financial statements and concludes the Council provides value for money.
9. The Council has successfully met one of its most significant financial challenges, delivering a balanced budget and achieving savings of £21m this year.
10. The financial planning process is robust, with the medium term financial plan setting out the Council's plan to manage the budget over the next 3 to 5 years. This is augmented every year with a detailed budget report to Cabinet showing how savings and growth will be realised and is supported by regular update reports throughout the year to Cabinet.
11. The budget process is challenging in the current environment but continues to ensure quality services with improved productivity and efficiency are being attained, whilst cost reductions continue to be made.

### **Council Plan**

12. The Council's Financial Statements and value for money procedures are integral to the Council's Plan and are key to ensuring sound financial governance and management.

### **Implications**

13. There are no financial, HR, equalities, legal, crime and disorder, IT or property implications arising from this report.

### **Risk Management**

14. The Annual Audit letter 2011/12 confirms an unqualified opinion of the financial statements and the Council has delivered a balanced budget.

## Recommendations

15. Members are asked to Note the Audit Commission's City of York Council Annual Audit Letter 2011/12

### Reason

It is a statutory requirement that the Annual Audit letter is issued on completion of the audit.

## Contact Details

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Report  
Approved



Date 06/10/12

### Specialist Implications Officers

Not applicable

### Wards Affected:

All

**For further information please contact the author of the report**

### Background Papers:

### Annex

Annex A – Audit Commission's City of York Council Annual Audit Letter 2011/12