

Agenda Item No: 5

Report to: Audit Committee

Date of Meeting: 18 January 2012

Report Title: Annual Audit Letter 2010/11

Report By: Peter Grace
Head of Financial Services

Purpose of Report

This is an information report. This Annual Audit Letter summarises the key issues arising from the work External Audit have completed over the past 12 months. They have already reported the detailed findings from their audit work to those charged with governance in the reports documented in Appendix A to this report.

Recommendation(s)

- 1. That members note the contents of the Annual Audit Letter 2010/11.**

Reasons for Recommendations

External audit provide an independent view of the activities undertaken by the Council. Members of the Council and the public can gain considerable reassurance that the Council is operating efficiently and effectively as a result of this review.

Introduction

1. Attached is the Annual Audit Letter 2010/11 that has been prepared by our External Auditors, PKF. This summarises the key issues that the External Auditors have identified over the past 12 months.

The key findings include:

- (i) Local Authorities prepared financial statements, and restated prior year accounts, in accordance with International Financial Reporting Standards (IFRS) for the first time in 2010/11. The Council managed the transition to IFRS effectively and an unqualified opinion was given on the accounts. This was a major undertaking but due to accuracy and well documented working papers, Hastings Borough Council was the only Council in East Sussex not to incur additional external audit charges.
 - (ii) The Council continued to manage its finances well in the year, and has taken action to refresh its priorities and identify the scope to reduce its expenditure following the Government's Comprehensive Spending Review and financial settlement for the 2011/12 and 2012/13 years.
2. A copy of the Annual Audit Letter was emailed to all members on the 29 November in line with PKF requirements, and a copy is posted on the Council's website.

Wards Affected

Ashdown, Baird, Braybrooke, Castle, Central St. Leonards, Conquest, Gensing, Hollington, Maze Hill, Old Hastings, Ore, Silverhill, St. Helens, Tressell, West St. Leonards, Wishing Tree

Area(s) Affected

Central Hastings, East Hastings, North St. Leonards, South St. Leonards

Policy Implications

Please identify if this report contains any implications for the following:

Equalities and Community Cohesiveness	Yes
Crime and Fear of Crime (Section 17)	Yes
Risk Management	Yes
Environmental Issues	Yes
Economic/Financial Implications	Yes
Human Rights Act	No
Organisational Consequences	Yes
Local People's Views	No

Background Information

Officer to Contact

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