

CHESHIRE EAST COUNCIL

REPORT TO: COUNCIL

Date of Meeting:	13 December 2012
Report of:	Chief Executive – Kim Ryley
Subject/Title:	Annual Audit Letter
Leader:	Cllr Michael Jones, Leader of the Council

1.0 Report Summary

- 1.1 This report presents, and provides a brief overview of, the recently received Annual Audit Letter from the District Auditor. This important document provides an objective external view of the good progress made by the Council in recent months, and of the likelihood of further improvement under the new, three year Council Plan and Medium Term Financial Strategy.

2.0 Decision Requested

- 2.1 That Council notes and acknowledges the positive view of the District Auditor on its recent progress and its prospects for further improvement, and supports the Leader and Cabinet in the implementation of the new Council plan and related financial strategy.

3.0 Background

- 3.1 The District Auditor's Annual Governance Report for 2011-12 was considered by the Council's Audit and Governance Committee on 27th September 2012. This contained several recommendations on how the Council should seek to improve its arrangements to provide value for money for local people.
- 3.2 That report recognised, and encouraged the Council to continue, the process of improvement started by the new Leader of the Council earlier in the year. In response to the recommended improvements, the Leader and Cabinet approved an Action Plan on 10th December to ensure that planned improvements continue to be driven forward strongly.
- 3.3 More recently, the District Auditor has issued her Annual Audit Letter to the Council. This important document, which provides a current analysis and objective overview of the Council's financial health and governance, contains further recognition of the progress now being made by the Council, and of its ambitions for the future, under its new plans. (A copy of the Annual Audit Letter is attached as Appendix 1.)

4.0 Key Messages

- 4.1 In her Annual Letter, the District Auditor sets out a number of key messages for consideration by the Council, as part of the summary of her 2011-12 audit, as well as recognising recent successes and new arrangements put in place by the Council during the current year.
- 4.2 In particular, looking forward, the District Auditor has commented positively on the fact that the “new Leader quickly recognised the need to provide clearer strategic direction and leadership, and to build on the positive aspects of the legacy of the Council’s first three years... [and] has developed a new vision for Cheshire East”.
- 4.3 The District Auditor goes on to say that the actions agreed recently by Cabinet “allied to the actions being taken to reinforce business planning, budgeting and performance management arrangements should, if successfully implemented, place the Council in a stronger position to achieve its vision”.

5.0 Summary

- 5.1 In summary, the Annual Audit letter provides a balanced, objective, and encouragingly positive view of the Council’s recent progress, and of its prospects for further improvement under its new, strong strategic direction of travel over the next few years.