



Report **06.694**
Date 27 November 2006
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Committee **Planning and Monitoring Subcommittee**
Author **Barry Turfrey Chief Financial Officer**

Audit Management Letter

1. Purpose

To receive the Audit Management Letter in respect of the year ended 30 June 2006.

2. Significance of the decision

The matters for decision in this report do not trigger the significance policy of the Council or otherwise trigger section 76(3)(b) of the Local Government Act 2002.

3. Background

Each year following the year ended audit the Audit Office prepares a Management Letter summarising their findings and any issues that arose during their audit.

4. Management Letter for the year ended 30 June 2006

Overall, there are no major issues that arose during the audit.

The Audit Office use a system to assess the Council's financial and service performance management.

This system is compulsory for central government but optional for local government. Two years ago, the Council had a rating of fine excellents, last year this was changed to three excellents and two goods. This year the Council's rating is two excellents and three goods.

The definition of the gradings used in the rating system are explained in Appendix 2 of the Management Letter.

A number of the matters raised which have contributed to the downgrades have existed for a number of years and are extremely minor in nature. It is of concern that despite having the same system and processes the ratings can

change by this extent in two years. Detailed comment on each of the issues are included in Appendix 1 of the Audit Management Letter (**Attachment 1**).

5. Communication

No communication is necessary.

6. Recommendations

That the Committee:

1. ***Receives the report.***
2. ***Notes the content of the report.***

Report prepared by:

Report approved by:

Barry Turfrey
Chief Financial Officer

David Benham
Chief Executive Officer

Attachment 1: Audit Management Letter