



Leicester  
City Council

**WARDS AFFECTED**  
**All**

**FORWARD TIMETABLE OF CONSULTATION AND MEETINGS:**

**Resources and Equal Opportunities Scrutiny Committee**  
**Cabinet**

**17 March 2005**  
**4 April 2005**

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**Annual Audit Letter 2003/4**

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**Report of the Chief Finance Officer**

**1. Purpose of the Report**

To introduce the Annual Audit Letter for 2003/4, a copy of which has been sent to all members of the Council.

**2. Summary**

The letter confirms continued improvements in the Council's performance in a number of areas, as well as identifying areas where improvements are indicated. The overall conclusion of the letter is that the Council has made improvements in a number of areas and made significant investments to strengthen service delivery in future. It has also maintained its overall CPA score of "good" and has built on and consolidated further, the good progress already made.

**3. Recommendations**

The Cabinet is asked to consider the letter and any comments on it made by the Resources and Equal Opportunities Scrutiny Committee.

**4. Report**

4.1. The Audit Commission Code of Audit Practice requires the District Auditor to report to the Council on the findings of the work of the Audit Commission's Joint Inspection and Audit Team.

4.2. This report takes the form of an Annual Audit Letter.

4.3. The current letter covers the period 2003/4 and identifies key issues for the consideration of the Council.

**5. Key Findings**

5.1. The Council

5.1.1. is well placed to meet the challenges posed by the Building Schools for the Future programme and the development of the Children's Federation.

5.1.2. has been given an unqualified opinion on its accounts

5.1.3. has a below average level of collection of local taxes which was adversely affected by disruptions caused by the implementation of new IT systems.

5.1.4. maintained its CPA rating of "Good"

- 5.1.5. has good arrangements for ensuring its financial position is soundly based.
- 5.1.6. has no identified weaknesses in the overall internal control framework, although there is scope to strengthen controls in respect of revenue contracts.
- 5.1.7. has an Internal Audit Service which provides an effective service, which could be further improved by developing its planning and control arrangements.
- 5.1.8. has sound overall arrangements to prevent fraud and corruption.
- 5.1.9. has a good legal framework for ensuring the legality of significant financial transactions.

**6. Financial Implications**

The letter concerns itself heavily with the Council's accounts, and with financial aspects of corporate governance, including the legality of financial transactions.

**7. Other Implications**

OTHER IMPLICATIONS	YES/NO	Paragraph References Within Supporting Information
Crime and Disorder Implications	N	-
Human Rights Act	N	-
Legal	N	-
Equal Opportunities	N	-
Policy	N	-
Sustainable and Environmental	N	-
Elderly/People on Low Income	N	-

**8. Background papers**

None

**9. Consultations**

The letter has been considered by the Corporate Directors' Board

**10. Report Author**

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Mark Noble  
Chief Finance Officer

**Decision Status**

<b>Key Decision</b>	<b>No</b>
<b>Reason</b>	<b>N/A</b>
<b>Appeared in Forward Plan</b>	<b>No</b>
<b>Executive or Council Decision</b>	<b>Council</b>