

**Joint Committee**  
**23rd February 2012**

**AUDIT COMMISSION – ANNUAL AUDIT LETTER 2010/11**

**Recommendation**

**Members note the recommendations included in the Annual Audit Letter 2010/11**

**Contribution to  
Priorities**

The development of robust financial and operational controls will ensure the priorities of the service are delivered within the agreed budget.

**Introduction/Summary**

The Audit Commission are the current external audit providers for the Worcestershire Shared Service Joint Committee. The auditors have a statutory responsibility to present an Annual Audit Letter in relation to the previous years accounts. The report as attached at Appendix A summarises the findings from the 2010/11 audit for the shared regulatory services function.

**Background**

The service was implemented in June 2010 and therefore the accounts represented a 10 month period.

An unqualified opinion was issued by the Audit Commission for this period. This opinion was presented in detail to the Joint Committee in September 2011.

**Report**

The Annual Audit Letter as attached at Appendix 1 summarises findings from the 2010/11 Audit. This considers 2 elements:

- Audit of financial statements
- Assessment of Value for Money arrangements.

A number of recommendations were made as a result of the audit these included:

- Accounts should be allocated to more than one officer
- A clear plan should be agreed by the Commission
- Reporting of certain items need to be more defined between participating Councils.
- Working papers to be improved

Officers have discussed these issues with the Audit Commission and have agreed that there are processes in place to address all of the concerns raised.

It is assumed that the accounts for 2011/12 will be audited to reflect the regulatory service body being classed as a Smaller Relevant Body. This will result in a simple Annual Return being prepared and therefore an anticipated reduction in fee.

Officers will continue to work with the Audit Commission to ensure the Joint Committee accounts and financial management arrangements will deliver compliant and informative accounts and policies in the future

**Financial Implications**

None other than those stated in the Appendix

**Sustainability**

None as a direct result of this report

**Contact Points**

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**Background Papers**