

ANGUS COUNCIL – 7 NOVEMBER 2002

REPORT TO MEMBERS ON THE 2001/2002 AUDIT OF ANGUS COUNCIL

REPORT BY THE DIRECTOR OF FINANCE

ABSTRACT

This report covers the Audit Scotland's Report to Members on the 2001/2002 Audit of Angus Council and asks the Council to note the action taken in response to the issues raised by the Auditor. It also asks the Council to formally note the 2001/2002 Audited Accounting Statements for Angus Council and its Direct Services Organisation.

1. RECOMMENDATION

The Council is asked to:-

- (a) note the content of the Audit Scotland's Report to Members on the 2001/2002 Audit of Angus Council;
- (b) note the action taken in response to the issues raised by the Auditor;
- (c) agree to refer the Report to Members to the Audit Committee and the Monitoring Group for their interest;
- (d) note the 2001/2002 Audited Accounting Statements for Angus Council included in the Annual Report and Accounts which has been circulated under separate Report; and
- (e) note the 2001/2002 Direct Services Organisation's Report and Accounts (enclosed with this Report).

2. INTRODUCTION

The Audit Scotland's Chief Auditor (East Region) has recently concluded his audit of Angus Council's accounts for the year ended 31 March 2002. Part of the Chief Auditor's responsibilities requires that a final report to Members of the Council and the Controller of Audit is submitted at the conclusion of each year's audit process.

The purpose of the Auditor's report is to summarise all significant matters which have arisen during the course of the audit which he considers are worthy of Members' attention. A copy of this report, finally agreed on 5 November 2002, is attached at Appendix 1.

The purpose of this report is to comment where appropriate on the issues raised within the Chief Auditor's report.

3. SPECIFIC ISSUES RAISED

Particular attention is drawn to the following:-

- (a) Audit Certificate

The issue of the Audit Certificate with no qualifications effectively means that the Auditor is satisfied that the Council has operated a high standard of financial stewardship during 2001/2002.

(b) Objection to the Accounts

No objection as such was received in respect of the 2001/2002 Annual Accounts. It will be noted the one particular issue was raised with the External Auditor but the view of the Auditor was that the matter was dealt with competently by the Council.

(c) DSO Accounts

The DSO's met their financial objectives in 2001/2002.

(d) Corporate Governance

The External Auditor has conducted an overview of the Council's corporate governance arrangements and it will be noted that a draft report has been issued and is under discussion.

The External Auditor has issued various other reports during the year. The main issues arising from these reports have been discussed with the Auditor and action plans have either been agreed or are being discussed.

Members will wish to note that the Auditor is satisfied that the authority has arrangements in place to develop, promote and monitor compliance with Standing Orders and financial instructions.

The External Auditor remarks that in planning the work he undertakes, he takes account of the work of the Council's Internal Audit Section. It will be noted that he is broadly satisfied with the Council's internal audit function in terms of quality of work, coverage, independence and extensiveness.

(e) Performance Management

The Auditor refers to various matters in this section of his report and indicates that 13 detailed reports have been issued.

The report reviews progress previously issued on corporate and service level reports on Performance Management and Planning (PMP) audits and notes a further two departments were covered in 2001/02.

The Auditor makes comments on the fact that statutory performance indicators for 2001/02 have been assessed as "reliable". The relative performance of Housing and Trading Standards should be noted along with the Auditor's comments of his wish to see more internal audit resource directed to reviewing Performance Indicators.

Two Education issues are referred to. Whilst areas of improvement are noted. Members will be pleased to note the Auditor's comments arising from the HMIE inspection on management and leadership with the Education Department.

4. AUDITED ACCOUNTING STATEMENTS

(a) Angus Council Accounts 2001/2002

The Council is asked to formally note the content of the 2001/2002 Audited Accounting Statements of Angus Council.

(b) Angus Council - DSO Accounts 2001/2002

The Council is also asked to formally note the content of the 2001/2002 DSO Audited Accounting Statements.

5. ACKNOWLEDGMENT

I would like to formally record my appreciation of the expeditious manner in which the audit was conducted and thank the External Auditor for his co-operation, advice and assistance during the course of the audit.

6. HUMAN RIGHTS IMPLICATIONS

There are no human rights implications pertaining to this report.

7. FINANCIAL IMPLICATIONS

There are no financial implications pertaining to this report.

8. CONSULTATION

The Chief Executive and the Director of Law and Administration have been consulted on the contents of this report.

9. CONCLUSION

The Council met the deadline of submitting its Accounts by the due date of 30 June 2002 and Audit Scotland have completed the audit and issued the Report on the Audit of the 2001/2002 Accounts.

Members will no doubt be pleased to note the Auditor's overall conclusion that the financial stewardship of Angus Council in 2001/02 was of high standard.

D.S. SAWERS
Director of Finance

NOTE: No background papers, as defined by Sections 50D of the Local Government (Scotland) Act 1973 (other than any containing confidential or exempt information), were relied on to any material extent in preparing this report.

JC/AD
5 November 2002
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