

# **APPENDIX L**

## **WAVERLEY BOROUGH COUNCIL**

**EXECUTIVE - 31 MARCH 2009**

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**Title:**

**ANNUAL AUDIT AND INSPECTION LETTER**

**[Portfolio Holder: Cllrs Richard Gates and Mike Band]  
[Wards Affected: All]**

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**Summary and purpose:**

To receive the Annual Audit and Inspection Letter from 2007/2008, produced by the Audit Commission and to endorse the actions proposed to address the recommendations.

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**How this report relates to the Council's Corporate Priorities:**

The Annual Audit letter is an important document that provides an external assessment of Waverley's performance across all of its Corporate Plan priorities.

**Equality and Diversity Implications:**

Waverley's performance in developing its approach to equality and diversity is thoroughly assessed in the Audit Letter and concerns about the extent to which the Council's arrangements meet the National Standard at 31<sup>st</sup> March 2008 are expressed. However, the report also recognises the good progress made since then and that fact that Waverley is confident of moving to level 2 by the end of 2008-2009.

**Resource/Value for Money implications:**

The Annual Audit Letter presents a very positive picture of Waverley's arrangements for delivering good value for money to its residents and of its management and control of its financial and other resources.

**Legal Implications:**

There are no direct legal implications arising from this report.

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**Introduction**

1. The Audit Commission is the independent body appointed to inspect and report on Waverley's activities. The Annual Audit Letter is the Audit Commission's report on Waverley's performance in the year across a range of key measures including:

- Performance against the Council's agreed priorities
  - Value for Money,
  - Use of financial and other resources,
2. Whilst the Annual Audit Letter focuses on performance in the particular year in question, in this case 2007/2008, the Audit Commission also reflect developments and events that have occurred in the ensuing period that have a bearing on its assessment.
  3. The final Annual Audit Letter is included at Annexe 1. This report was considered by the Audit Committee on 10 March 2009 and the Committee's comments are included below.

### **The key messages from the 2007/2008 Annual Audit Letter**

4. Overall, the Annual Audit Letter presents a very positive picture of Waverley's performance. In particular the Audit Commission praises Waverley for its:
  - Low levels of waste going to landfill and high rates of recycling
  - good arrangements for providing value for money,
  - good track record for meeting financial targets and achieving efficiency gains,
  - leadership and prudent financial management in difficult economic times,
  - good financial statements
5. The report confirms Waverley's consistently good performance in the management of its finances with the Council scoring 3 out of 4 across all elements of the use of resources assessment. The 'Use of Resources' assessment looks at performance across more than 200 individual areas. It covers the strength of Waverley's finances, how the Council reports its finances to the public, how it looks after the money and whether residents are receiving good value for money.
6. The report also identifies five key areas from its work in 2007/2008 where the Audit Commission recommend that further improvement work is necessary. These recommendations are included at the end of the report. In each case, Waverley has demonstrated that it is already implementing measures to address these areas and these are also shown alongside target timescales.

### **Audit Committee - 10 March 2009**

7. Jamie Bewick from the Audit Commission was present at the meeting of the Audit Committee on 10 March 2009 and introduced the Annual Audit and Inspection Letter. Attention was drawn to some of the key messages captured within the Audit Letter which included:
  - The good financial management of the Council and the prudent way it manages its finances, including good arrangements in place for value for money

- Good examples to mitigate the risks of the economic downturn
  - Recognition for being one of the best Council's nationally at minimising the waste stream
  - Strengthening the performance management process and the prospect that this would start to be reflected in the figures in the next year.
8. The letter also identified that the Council's performance in dealing with planning applications was well below average but recognised that actions had been taken to address this and there were now indications of improvement.
9. The Committee asked for clarity as to why the Audit Commission expected to continue to monitor the progress of the East Street scheme and was informed that because of the level of investment involved in the scheme and the need to ensure value for money, there could be some relevance to the remit of the Audit Commission's work which would not impact upon planning or democratic decisions.

### **Recommendation**

It is recommended that the actions proposed for addressing the recommendations contained within the Annual Audit and Inspection Letter be endorsed.

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### **Background Papers (DCEx)**

There are no background papers (as defined by Section 100D(5) of the Local Government Act 1972) relating to this report.

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