

<b>REPORT TITLE</b>	
EXTERNAL AUDITOR'S ANNUAL AUDIT LETTER TO MEMBERS NOVEMBER 2006	
<b>REPORT OF</b>	
FINANCIAL ADVISER	
<b>FOR SUBMISSION TO</b>	<b>DATE</b>
AUTHORITY MEETING	20 DECEMBER 2006
<b>1. SUMMARY OF REPORT</b>	
This report provides a summary of the main findings and conclusions of the Auditor's Annual Audit Letter to Members of the Authority.	
<b>2. RECOMMENDATIONS</b>	
The Authority is requested to:-	
(i) Note the findings and recommendations of the Annual Audit Letter.	
Signed by the Finance Officer: .....	
Date: .....	

### **3. Introduction**

3.1 The purpose of the Audit Letter is to summarise for Members the main findings and conclusions from the audit work undertaken by Deloitte & Touche over the last year. The letter, which is attached to this report is summarised below.

### **3.2 Performance Management**

3.2.1 The Auditors comment on the continuing progress made by the Authority to achieve Best Value and advise that the Best Value Performance Plan complies in all significant respects with statutory guidance. The auditors have completed their audit work and expect to issue an unqualified audit report on the Best Value Performance Plan (BVPP) shortly. An unqualified audit opinion has already been issued on the performance indicators.

3.2.2 The Auditors acknowledge that the Authority achieved its statutory performance standard of recycling and composting 17% of the household waste stream.

3.2.3 Attention is also drawn to the challenge posed by the increase in local targets set by the Authority under the North London Joint Waste Strategy for recycling and composting in 2006/07 and 2007/08. Members, however, will be aware of the arrangements that have been made with LondonWaste Ltd to provide the In-Vessel Composting facility and a scheme to collect dry recyclable waste. These new arrangements and the continued recycling and composting performance of constituent boroughs will assist with the achievement of these targets.

### **3.3 Financial Aspects of Corporate Governance**

3.3.1 The overall conclusion of this section is that for 2005/06 the Authority has again demonstrated its ability to manage within budgetary limits. The Auditors are also satisfied with the Authority's performance in the first six months of 2006/07 but draw attention to the need for future budgets to maintain adequate levels of reserves.

3.3.2 The Authority included a Statement of Internal Control alongside its 2005/06 accounts that reflected full compliance with the internal control arrangements. Officers are continuing to review its controls and risk management arrangements and a further report will be submitted to a future meeting of the Authority on this matter.

### 3.4 **Auditing the Accounts**

- 3.4.1 An unqualified audit opinion was issued on the 2005/06 accounts on 22 September 2006. No objections or questions were received from local electors.
- 3.4.2 A copy of the signed 2005/06 Statement of Accounts has been circulated separately to Members.
- 3.4.3 The Auditors draw attention to the legislative requirement for the annual accounts of local authorities to be prepared and approved by 30 June and audited by 30 September. This is the same as the timetable for the 2005/06 accounts. Authority meeting dates will continue to be arranged to ensure that the Authority continues to comply with this statutory requirement.

### 4. **Next Year's Audit Plan**

- 4.1 The final section of the Audit Letter refers to the Audit Plan for 2006/07. As usual the work of the external auditor will rely on both the NLWA and Camden internal controls and management processes. The Auditors will continue to perform their audit work under the International Standards of Auditing (UK and Ireland).

### 5. **Comments of the Legal Adviser**

- 5.1 The Legal Adviser has been consulted on this report and has no comments to add.

#### **Local Government Act 1972 - Section 100 as amended**

Documents used in the preparation of this report:-

Deloitte & Touche - Annual Audit Letter to Members November 2006

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