



28 May 2010

Chief Executives
All English District Councils

Direct line 0844 798 2467
Email g-davies@audit-commission.gov.uk

Dear Colleague,

I am writing on behalf of the CAA inspectorates to let you know how we propose to bring work on CAA to a conclusion in the light of the new government's recent announcement.

All work on updating the area assessment and organisational assessment will cease with immediate effect. These assessments on the Oneplace website will not now be updated. We will not be reporting new red or green flags in the area assessment nor updating the text around existing flags.

We will not be issuing new scores for the use of resources assessments, the managing performance assessments or the overall organisational assessments.

Your appointed auditor will continue to deliver the audit in line with the statutory Code of Audit Practice under which they are required to give a value for money conclusion alongside their opinion on the financial statements. Auditors will need to complete such work as they consider necessary to enable them to give this conclusion, but in practice we envisage they will be able to discharge this responsibility using work completed to date for the use of resources assessment. Your auditor will report any significant findings in the annual audit letter but will not be reporting a score for the use of resources.

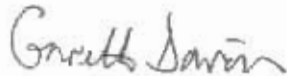
We have already announced that we are reviewing the approach that auditors will take in future to the value for money conclusion from 2010/11.

We are in discussions with the government, the LGA and other representative bodies about the future approach to inspection. In the meantime, the Audit Commission will continue with the limited programme of risk-based inspections currently underway. We will inform you of any developments in our approach as soon as they have been agreed.

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Your CAA Lead and appointed auditor will of course be available to discuss the practical implications of these changes. You can also phone our helpline on 08450 522616. I would like to thank you for your cooperation with our staff over the short life of CAA. We will of course consult you about the future approach to audit and inspection.

Yours sincerely

A handwritten signature in cursive script that reads "Gareth Davies".

Gareth Davies
*Managing Director, Local Government, Housing & Community Safety
Audit Commission*