

CABINET	AGENDA ITEM No. 6
3 FEBRUARY 2014	PUBLIC REPORT

Cabinet Member(s) responsible:	Councillor Seaton, Cabinet Member for Resources	
Contact Officer(s):	John Harrison, Executive Director - Resources Steven Pilsworth, Head of Strategic Finance	☎ 452 398 ☎ 384564

ANNUAL AUDIT LETTER 2012/13

RECOMMENDATIONS	
FROM : John Harrison, Executive Director - Resources	Deadline date : N/A
Cabinet are asked that, subject to any comments Cabinet may wish to make, the Annual Audit Letter 2012/13 is approved.	

1. ORIGIN OF REPORT

- 1.1 This report is submitted to Cabinet following a referral from the Council's External Auditor (PriceWaterhouseCoopers).
- 1.2 The report is for Cabinet to consider under its Terms of Reference No. 3.2.11: *To scrutinise auditor's reports and letters, to consider reports from the Council's external auditor and internal auditor, where appropriate, and determine appropriate responses.*
- 1.3 The report will also be presented to the Council's Audit Committee in accordance with its Terms of Reference No. 2.2.6: *To consider the external auditors annual letter, relevant reports, and the report to those charged with governance.*

2. PURPOSE AND REASON FOR REPORT

- 2.1 The purpose of this report is to consider and respond to the Annual Audit Letter for 2012/13, prepared jointly by our external auditors PriceWaterhouseCoopers (PwC).

3. TIMESCALE

Is this a Major Policy Item / Statutory Plan?	NO	If Yes, date for relevant Cabinet Meeting	N/A
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4. ANNUAL INSPECTION LETTER

- 4.1 The External Auditor produces an Annual Audit Letter reviewing the Council's arrangements and progress in relation to the Audit of the Accounts.
- 4.2 The letter is attached as **Appendix A** for the financial year 2012/13 and representatives from PwC will be in attendance to present the key findings and comment generally on the Council's performance.
- 4.3 Members can ask questions and make comment to the External Auditor on its contents and conclusions. The External Auditor may take on board responses received prior to its formal publication. However, the External Auditor is under a statutory duty to produce and arrange for the publication of the Annual Audit Letter as soon as reasonably practical. A number of

work programmes are being deployed that directly address comments made in the Audit Letter.

5. CONSULTATION

The Annual Audit Letter has been shared with the Corporate Management Team. Once the External Auditor and Relationship Manager have reflected on any comments received the letters will be re-issued in final form and circulated to all Members of the Council.

6. ANTICIPATED OUTCOMES

Approval of the Annual Audit Letter 2012/13.

7. REASONS FOR RECOMMENDATIONS

The Council is required to consider the statutory Annual Audit Letter and make appropriate arrangements in response to recommendations.

8. ALTERNATIVE OPTIONS CONSIDERED

The External Auditor may take on board responses received prior to its formal publication, though he has a duty to produce and arrange for the publication of the Annual Audit Letter as soon as reasonably practical. No specific alternative options are submitted to Cabinet for consideration.

9. IMPLICATIONS

Specific implications associated with each of the main aspects of the Annual Audit Letter are addressed as part of the individual work programmes.

10. BACKGROUND DOCUMENTS

Used to prepare this report, in accordance with the Local Government (Access to Information) Act 1985)

Annual Audit Letter 2012/13.

Audit opinion for 2012/13 financial statements.

Report to those charged with Governance (ISA (UK&I) 260).