

<b>CABINET</b>	AGENDA ITEM No. 5
<b>2 FEBRUARY 2015</b>	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 2013/14

<b>RECOMMENDATIONS</b>	
<b>FROM</b> : John Harrison, Executive Director - Resources	<b>Deadline date</b> : N/A
Cabinet are asked that, subject to any comments Cabinet may wish to make, the Annual Audit Letter for the financial year 2013/14 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. 2.2.1.5: *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 2013/14, prepared jointly by our external auditors PriceWaterhouseCoopers (PwC).

### 3. TIMESCALE

Is this a Major Policy Item / Statutory Plan?	<b>NO</b>	If Yes, date for relevant Cabinet Meeting	N/A
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### 4. ANNUAL AUDIT 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. During the year, PwC have undertaken various reviews on behalf of the authority, the Annual Audit Letter collates and summarises those reports, the bulk of which was reported to Audit Committee in the ISA 260 on the 22<sup>nd</sup> September 2014.
- 4.2 The letter is attached as **Appendix A** for the financial year 2013/14 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**

- 5.1 During the year, PwC have undertaken various reviews on behalf of the authority, the Annual Audit Letter collates and summarises those reports, the bulk of which was reported to Audit Committee in the ISA 260 on the 22<sup>nd</sup> September 2014.

## **6. ANTICIPATED OUTCOMES**

- 6.1 Approval of the Annual Audit Letter 2013/14.

## **7. REASONS FOR RECOMMENDATIONS**

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

## **8. ALTERNATIVE OPTIONS CONSIDERED**

- 8.1 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**

- 9.1 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 2013/14.

Audit opinion for 2013/14 financial statements.

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