

CABINET	AGENDA ITEM No. 6.1
8 FEBRUARY 2010	PUBLIC REPORT

Committee Member(s) responsible:	Cllr Seaton, Resources portfolio holder	
Contact Officer(s):	John Harrison, Executive Director of Strategic Resources Steven Pilsworth, Head of Strategic Finance	☎ 452 398 ☎ 384 564

ANNUAL AUDIT AND INSPECTION LETTER 2008/2009

RECOMMENDATIONS	
FROM : External Auditor and Audit Commission Relationship Manager	Deadline date : N/A
Cabinet are asked that, subject to any comments Cabinet may wish to make, the Audit and Inspection Letter 2008/2009 is approved.	

1. ORIGIN OF REPORT

- 1.1 This report is submitted to Cabinet following a referral from the Council's External Auditor (PricewaterhouseCoopers) and the Audit Commission Relationship Manager.
- 1.2 The report will also be presented to the Council's Audit Committee on 8 February 2010 in accordance with that Committee's 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 and Inspection Letter for 2008/2009, prepared jointly by our external auditors PricewaterhouseCoopers (PwC) and the Audit Commission Relationship Manager.
- 2.2 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.

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 Each year the External Auditor and the Audit Commission Relationship Manager produce an Audit and Inspection Letter reviewing the Council's arrangements and progress in relation to the Audit of the Accounts and the Use of Resources.
- 4.2 The letter is attached as **Appendix A** for the financial year 2008/2009 and representatives from PwC will be in attendance to present the key findings and comment generally on the Council's performance. 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 The Audit and Inspection 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

- 6.1 Approval of the Annual Audit and Inspection Letter 2007 / 2008.

7 REASONS FOR RECOMMENDATIONS

- 7.1 The Council is required to consider the statutory Audit and Inspection 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 Audit Committee for consideration.

9 IMPLICATIONS

- 9.1 Specific implications associated with each of the main aspects of the Audit and Inspection 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 and Inspection Letter 2008/2009