

By: John Simmonds, Cabinet Member for Finance
Andy Wood, Acting Director of Finance

To: Governance and Audit Committee – 30 November 2010

Subject: AUDIT COMMISSION: ANNUAL AUDIT LETTER

Classification: Unrestricted

Summary: The Audit Commission's Annual Audit letter provides a summary of the most important findings from their 2009/10 audit.

FOR INFORMATION

Introduction and background

1. The Audit Commission's Code of Audit Practice requires that the external auditors prepare an annual audit letter and issue it to the Council.
2. The purpose of the annual audit letter is to communicate to the Council and its external stakeholders, including members of the public, the key issues arising from auditors' work, which the District Auditor considers should be brought to the attention of the Council. The annual audit letter is intended to cover the work carried out by the external auditors since the previous annual audit letter was issued, in this case December 2009.
3. The letter highlights key issues drawn from reports previously presented to the Governance and Audit Committee and the auditors' conclusions on relevant aspects of the audit.

Summary of the letter

4. This annual audit letter summarises the work from the External Auditor's 2009/10 audit plan (i.e. work relating mainly to the 2009/10 financial year). The letter covers:
 - The audit of the financial statements (including the Superannuation fund).
 - Value for money
 - Current and future challenges
 - The audit fees for 2009/10.
5. Mr Wells, the District Auditor, will provide a short commentary in relation to the issues in the letter that he feels require detailed consideration by the Committee

Publication of the Letter

6. The annual audit letter is addressed to all Members and the District Auditor requires that all Members receive a copy. There is also a statutory requirement to publish the annual audit letter, and the Audit Commission will publish all annual audit letters on its website as part of its objective to make its findings easily accessible to everyone. To meet the publication requirements, the annual audit

letter will be circulated to all Members of the County Council and published on the website after this committee.

Recommendations

7. The Governance and Audit Committee is asked to note that:

- the requirement of the External Auditors to prepare and issue an annual audit letter to the Council have been met, and
- the proposed actions for publication of the annual audit letter.

David Tonks
Head of Audit and Risk
Ext: 4614