



Performance and Audit Scrutiny Committee 26 September 2013

Ernst and Young presentation of 2012/2013 ISA 260 Annual Governance Report to those charged with Governance

1. Summary and reasons for recommendations

- 1.1 The attached report presents the results of Ernst and Young's audit of the financial statements for 2012/2013 – its first year as the Council's appointed external auditor. It sets out those issues they are formally required to report on to those charged with governance under the Audit Commission Code of Audit Practice and International Standards on Auditing (UK & Ireland) (ISA (UK&I)) 260. It also includes the result of the work that Ernst and Young have undertaken to assess the Council's arrangements to secure value for money in the use of its resources.
- 1.2 This Committee is now charged with governance in accordance with powers delegated to it under the Council's Constitution (as approved by full Council on 18 June 2013 – reports E30 and D358 refer).

2. Recommendations

- 2.1 That the Committee **NOTES**:
- (1) that the auditor intends to issue an unqualified opinion on the **Financial Statements** for 2012/13 (page 3 of **Attachment 1**); and
 - (2) that the auditor intends to issue a **VFM conclusion** stating that the Council had proper arrangements to secure economy, efficiency and effectiveness in our use of resources (page 3 of Attachment 1).
- 2.2 That the Committee **APPROVES**:
- (1) the Letter of Representation at **Attachment 2**, on behalf of the Council, before the Audit Director issues his opinion and conclusion.

3. Corporate Objectives

3.1 The recommendations meet the following objective, as contained within the Corporate Plan:-

(a) Corporate Priority: '*To raise Corporate standards and efficiency*'.

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