

<b>DECISION-MAKER:</b>	GOVERNANCE COMMITTEE
<b>SUBJECT:</b>	EXTERNAL AUDIT: ANNUAL AUDIT LETTERS 2012/13 AND 2013/14
<b>DATE OF DECISION:</b>	30 APRIL 2013
<b>REPORT OF:</b>	CHIEF INTERNAL AUDITOR
<b>STATEMENT OF CONFIDENTIALITY</b>	
None	

### **BRIEF SUMMARY**

The Annual Fee Letter(s) confirm the work the external auditors propose to undertake at Southampton City Council. The fees reflect the risk-based approach to audit planning set out in the Code of Audit Practice and the work mandated by the Audit Commission. The audit fee covers:

- Audit of the financial statements;
- Value for money conclusion; and
- Whole of government accounts

The fee has been set by the Audit Commission as part of the recent 5 year procurement exercise.

### **RECOMMENDATIONS:**

- (i) That the Governance Committee notes the External Auditor's reports as attached.

### **REASONS FOR REPORT RECOMMENDATIONS**

1. The Governance Committee's Terms of Reference require it to be satisfied appropriate action is being taken on risk and internal control related issues identified by the external auditors. Specifically, the Committee has responsibility for oversight of the reports of external audit.

### **ALTERNATIVE OPTIONS CONSIDERED AND REJECTED**

2. None

### **DETAIL (Including consultation carried out)**

3. The reports as attached, have been discussed and agreed with the Chief Executive, Director of Corporate Services and Head of Finance and IT. The following External Audit documents are attached for consideration in the appendix:

- Annual Audit Letter 2012/13
- Annual Audit Letter 2013/14

The external auditor will be in attendance at the Committee meeting to answer any questions.

### **RESOURCE IMPLICATIONS**

#### **Capital/Revenue**

None

**Property/Other**

None

**LEGAL IMPLICATIONS**

**Statutory power to undertake proposals in the report:**

The duties and powers of auditors appointed by the Audit Commission are set out in the Local Government Act 1999.

**Other Legal Implications:**

None

**POLICY FRAMEWORK IMPLICATIONS**

None

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**KEY DECISION?** Yes/No    No

<b>WARDS/COMMUNITIES AFFECTED:</b>	
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**SUPPORTING DOCUMENTATION**

**Non-confidential appendices are in the Members’ Rooms and can be accessed on-line**

**Appendices**

1.	Annual Audit Letter 2012/13
2.	Annual Audit Letter 2013/14

**Documents In Members’ Rooms**

1.	None
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**Integrated Impact Assessment**

Do the implications/subject of the report require an Integrated Impact Assessment (IIA) to be carried out.	No
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**Other Background Documents**

**Integrated Impact Assessment and Other Background documents available for inspection at:**

Title of Background Paper(s)	Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)
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1.	N/A	
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