

MEETING :	AUDIT AND GOVERNANCE COMMITTEE
DATE:	19 FEBRUARY 2013
TITLE OF REPORT:	COMMUNICATION WITH THE AUDIT AND GOVERNANCE COMMITTEE
REPORT BY:	DAVID POWELL, CHIEF OFFICER: FINANCE AND COMMERCIAL

1. Classification

1.1 Open.

2. Key Decision

2.1 This is not a key decision.

3. Wards Affected

3.1 County-wide.

4. Purpose

4.1 The report covers the process to ensure there is effective two way communication between the Audit and Governance Committee and the external auditor, namely Grant Thornton.

5. Recommendation(s)

That the Audit and Governance Committee notes the content of Grant Thornton's report as attached at Appendix A

6. Key Points Summary

- As the external auditor, Grant Thornton has a responsibility under professional auditing standards to ensure there is effective communication with the Audit Committee. This means developing a good working relationship with Committee Members, while maintaining their independence and objectivity.
- In planning and performing the audit of the financial statements Grant Thornton need to understand how the Audit and Governance Committee, supported by the Council's officers, meets its responsibilities.

7. Alternative Options

7.1 There are no Alternative Options.

8. Reasons for Recommendations

8.1 Grant Thornton is the Council's appointed external auditor. The attached report is an opportunity for the Audit and Governance Committee to state how the Committee will enable effective communications between itself and the external auditor including the provision of assurance regarding management of the risk of material misstatement.

9. Introduction and Background

9.1 The attached report summarises the respective responsibilities of the Audit and Governance Committee, officers and external audit in a raft of areas as set out by International Standards on Auditing (UK and Ireland).

10. Key Considerations

10.1 The primary responsibility of the external auditors is to consider the risk of material misstatement that could affect our financial reporting. Each section of the report includes a series of questions that officers have responded to. The Audit and Governance Committee is asked to consider these responses and confirm that it is satisfied with the arrangements.

10.2 The external auditor has a responsibility under professional audit standards to ensure there is effective communication with the Council's Audit and Governance Committee.

10.3 Committee members have a responsibility around financial reporting requirements. The attached document is a framework within which the Committee needs to respond to officer comments about audit issues.

11. Community Impact

11.1 Not applicable.

12. Equality and Human Rights

12.1 Not applicable.

13. Financial Implications

13.1 There are no financial implications.

14. Legal Implications

14.1 There are no legal implications.

15. Risk Management

15.1 The effective management of risk is through the delivery of internal processes that address the risks associated with areas such as final accounts delivery.

16. Consultees

16.1 None.

17. Appendices

17.1 Communication with the Audit Committee - paper submitted by Grant Thornton.

18. Background Papers

18.1 None identified.