



DERBY CITY COUNCIL

**AUDIT AND ACCOUNTS
COMMITTEE
24 SEPTEMBER 2008**

Report of Corporate Director -
Resources

ITEM 8

ANNUAL REPORT TO THOSE CHARGED WITH GOVERNANCE 2007/8

RECOMMENDATION

- 1.1 To note the recommendations made in the Interim Audit Report 2007/8.
- 1.2 To receive the Annual Report to those charged with Governance 2007/8
- 1.3 To request updates at future meetings on the progress made on the implementation of the recommendations made by External Audit in both reports.

SUPPORTING INFORMATION

Interim Audit Report 2007/8

- 2.1 As part of the annual audit of accounts, the External Auditors produce an Interim Audit Report which summarises the findings from their interim audit, carried out in accordance with their Audit and Inspection Plan. This report is attached at Appendix 2.
- 2.2 The recommendations made in the Interim Audit Report 2007/8 have been discussed with management and an Action Plan is included at Appendix A in the report

Annual Report to Those Charged with Governance 2007/8

- 2.3 The External Auditors are required by International Auditing Standards (ISA260 reporting to those charged with governance) to issue a report to those charged with governance summarising the conclusions of their audit work.
- 2.4 This report is presented to the Audit and Accounts Committee in its capacity as the body charged with Governance.
- 2.5 The principal purposes of the report are:
 - To reach a mutual understanding of the scope of the audit and the respective responsibilities of the auditor and the Council;

- To share information to assist both the auditor and those charged with governance to fulfil their respective responsibilities; and
- To provide the Council with recommendations for improvement arising from the audit process.

2.6 The report, attached at appendix 3, sets out the auditors' views and opinions on two main issues:

- The Authority's financial statements; and
- The Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources.

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Background papers: None

List of appendices: Appendix 1 – Implications
Appendix 2 – Interim Audit Report 2007/8
Appendix 3 – Annual report to those charged with Governance 2007/8

IMPLICATIONS

Financial

1. An appendix to the ISA 260 report contains details of the External Auditor's fees. The 2007/08 actual fee invoiced to date is consistent with the planned fee for the year. However, External Audit has incurred additional costs in the delivery of the final accounts audit. These costs will be discussed with the Corporate Director - Resources following the completion of External Audit's opinion work.

Legal

2. The auditors are required to comply with the "International Standards on Auditing" (ISA) which means that they must provide their opinion of the Council's statement of accounts.

Personnel

3. None directly arising.

Equalities impact

4. None directly arising.

Corporate objectives and priorities for change

5. None directly arising.