

Southend-on-Sea Borough Council

Agenda
Item No.

8

Report of Corporate Director for Corporate Services
to
Audit Committee
on
8 January 2014

Report prepared by: BDO External Auditor

BDO: Annual Audit Letter 2012/13

Executive Councillor – Councillor Moring

A Part 1 Public Agenda Item

1. Purpose of Report

- 1.1 To present the External Auditor's Annual Audit Letter for 2012/13 to the Audit Committee.

2. Recommendation

- 2.1 The Audit Committee approves the Annual Audit Letter for 2012/13.**

3. Background

- 3.1 This Annual Audit Letter summarises the key issues arising from the work BDO have carried out during the year as the Council's auditors, and highlights the key findings that should be considered by the Council.
- 3.2 It is intended to be a short document, aimed at the public, to inform them about the results of the audit. It should be posted onto the Council's website and will also be posted on the Audit Commission's website.
- 3.3 A senior representative of BDO (the appointed External Auditor to the Council) will present this report to the Audit Committee and respond to Members' questions.

4. Corporate Implications

- 4.1 Contribution to Council's Aims and Priorities
Audit work contributes to the delivery of all corporate Aims and Priorities.
- 4.2 Financial Implications
The final cost of external audit for 2012/13 was £234,301.
- 4.3 Legal Implications
The Council is required to have an external audit of its activities that complies with the requirements of the Audit Commission's Code of Audit Practice (the Code). By considering this report, the Committee can satisfy itself that this requirement is being discharged.

4.4 People and Property Implications

None

4.5 Consultation

The Annual Audit Letter for 2012/13 has been discussed and agreed with the Corporate for Corporate Services and the Head of Finance and Resources.

4.6 Equalities Impact Assessment

None

4.7 Risk Assessment

Periodically considering whether the external auditor is delivering the agreed Annual Audit Plan helps mitigate the risk that the Council does not receive an external audit service that complies with the requirement of the Audit Commission's Code of Audit Practice.

4.8 Value for Money

The Audit Commission sets the fee formula for determining external audit fees for all external auditors, taking into account the results of the outsourcing of their audit practice and market testing the audit work that is now fully delivered by the private sector audit firms.

4.9 Community Safety Implications and Environmental Impact

None

5. Background Papers

None

6. Attachment: BDO's Annual Audit Letter 2012/13