

## Agenda Item

<b>Subject</b>	<b>External Auditor's Annual Report</b>	<b>Status</b>	For Publication
<b>Report to</b>	Audit Committee	<b>Date</b>	
<b>Report of</b>	Director and Treasurer		
<b>Equality Impact Assessment</b>	Not Required	Attached	No
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### **1 Purpose of the Report**

- 1.1 To allow members of the Audit Committee to consider and comment on the External Auditor's Annual Report before it is received by the Full Authority.

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### **2 Recommendations**

- 2.1 Members are recommended to:
- a. **Note and comment on the External Auditor's Annual Report at Appendix A.**
  - b. **Refer the report to the Authority and in doing so consider whether they wish to make any specific recommendations.**

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### **3 Link to Corporate Objectives**

- 3.1 This report links to the delivery of the following corporate objectives:  
**Effective and Transparent Governance**

To uphold effective governance showing prudence and propriety at all times.

### **4 Implications for the Corporate Risk Register**

- 4.1 This report does not address any specific corporate risks. However, the auditor's work does reflect on the effectiveness of the Authority's risk management arrangements.

### **5 Background and Options**

- 5.1 Each year the Authority's external auditor issues a number of reports on various elements of their work, such as the final accounts. These are all summarised in the Annual Report, which is attached at Appendix A. Good practice and transparency which will ultimately be reinforced by regulation dictate that this report should be publicly considered by the equivalent of Full Council (in the case of SYPA the Full Authority). However, given this Committee's remit it makes sense for it to consider the matter before the Authority does so that the Authority can also consider any comments.

5.2 Deloitte will present the attached report and respond to any questions the Committee may have. However, the key messages for the Committee are on page 6 which indicates that the various aspects of the audit including the financial statements received a “clean” report and the auditor did not make any use of their statutory powers. The report also includes the full results of the Value for Money work undertaken by Deloitte in support of the new approach to this area set out in the Code of Audit Practice. This makes no specific recommendations and generally identifies that the Authority has the expected arrangements in place.

**6 Implications**

6.1 The proposals outlined in this report have the following implications:

Financial	None directly. As members may be aware audit fees within the local government sector are a significant issue and it is expected that there will need to be significant increases in fees in order to stabilise the audit market in future.
Human Resources	None
ICT	None
Legal	None
Procurement	None

**George Graham**  
**Director**

**Neil Copley**  
**Treasurer**

<b>Background Papers</b>	
<b>Document</b>	<b>Place of Inspection</b>