

2006 – 2007 ANNUAL ACCOUNTS - EXTERNAL AUDIT REPORT

1. SUMMARY

Grant Thornton UK LLP will provide a report covering the key findings from the audit of the Council's financial statements audit in accordance with International Standard on Auditing 260 (ISA 260). This auditing standard requires external auditors to communicate matters relating to the audit of the financial statements to those charged with governance of the Council (in this case the Audit Committee) in sufficient time to enable appropriate action to be agreed prior to the finalisation of the Annual Accounts for 2006 - 2007.

2. RECOMMENDATIONS

2.1 The contents of the Report are to be noted by the Audit Committee and agreed.

3. DETAILS

3.1 Prior to completion of the Annual Accounts and their final Certification the members of the Audit Committee are provided the opportunity to discuss with Grant Thornton UK LLP matters relating to the audit of the financial statements of the Council.

3.2 On the 20th of September, in order to meet the requirement set out in ISA 260, Grant Thornton UK LLP will present the contents of their audit letter to the Audit Committee for discussion.

3.3 The Audit Committee will therefore have the opportunity to discuss the points outlined in the letter and to instruct the Head of Strategic Finance to make any subsequent agreed changes.

4. CONCLUSIONS

The Council's Accounts for the year to the 31st of March 2007 and the Audit Certificate, Certified Accounts and Report to Members will return to the Audit Committee on the 14th of December 2007 after Council approval.

5. IMPLICATIONS

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| 5.1 | Policy: | None |
| 5.2 | Financial: | None |
| 5.3 | Personnel: | None |
| 5.4 | Legal: | None |
| 5.5 | Equal Opportunities: | None |