



ESPO MANAGEMENT COMMITTEE – 29 SEPTEMBER 2011

AGENDA ITEM 4.

AUDIT LETTER 2010/11

REPORT OF THE INTERIM DIRECTOR AND CONSORTIUM TREASURER

BACKGROUND

1. PriceWaterhouseCoopers (PwC), ESPO's external auditors are required to communicate certain matters arising from the audit to those charged with governance prior to certifying the financial statements.
2. Attached to this report is a copy of the report (Appendix 1) which communicates the relevant audit matters to those charged with governance.
3. The PwC Auditor responsible for the audit will attend the Committee meeting on 29 September to present the audit letter and answer any questions.
4. As set out in the report, PwC propose to certify the financial statements with an unqualified opinion.
5. The draft Statement of Accounts were presented to the 24 June Management Committee meeting for noting. A revised Statement of Accounts is presented to the September Committee meeting for approval elsewhere on the agenda under item 5.
6. The auditors report is circulated to the Management Committee with the status of a "draft" and subject to approval at this meeting will be published as a final report.

AUDIT RECOMMENDATIONS

7. PwC has not considered it necessary to bring to the Committee's attention any issues arising from its audit of the Statement of Accounts.
8. PwC has noted on page 16 of their report the areas where ESPO needs to strengthen its governance arrangements and have also noted that this is being addressed currently.

RESPONSE TO AUDIT RECOMMENDATIONS

Governance Arrangements

9. The proposed actions in the Annual Governance Statement for 2010/11 presented to this Committee Meeting for approval will address the audit comments regards governance arrangements. The Change Management Programme is intended to revise ESPO service model, improve operational efficiency and reduce the risks associated with procurement. projects.

RECOMMENDATION

10. The Committee is asked to note the content and matters raised, and to approve the audit letter 2011/12.

EQUAL OPPORTUNITIES IMPLICATIONS

None have been identified.

BACKGROUND PAPERS

None.

OFFICERS TO CONTACT

Mr D Summersgill – Interim Director (Tel: 0116 265 7931)

Mr B Roberts - Treasurer to the Consortium (Tel: 0116 305 7831)