

# Audit Committee

24 September 2015



<b>Title</b>	External Audit Report on the 2014/15 Audit and Statement of Accounts		
<b>Purpose of the report</b>	To note		
<b>Report Author</b>	Adrian Flynn		
<b>Cabinet Member</b>	Councillor Tim Evans	<b>Confidential</b>	No
<b>Corporate Priority</b>	Value for money Council		
<b>Cabinet Values</b>	Accountability		
<b>Recommendations</b>	<p>The Audit Committee is asked to note the External Auditor's 2014/15 audit report (Appendix A). That the Chief Finance Officer sign the letter of representation (as attached to appendix 4 of the Auditors' report).</p> <p>That the Chief Finance Officer and Chairman of the Committee sign the statement of accounts.</p> <p>That the Audit Committee notes the draft officer responses to the recommendations made in Appendices 1 and 2 of the Auditors report.</p>		

## 1. Key issues

- 1.1 External auditors appointed by the Audit Commission, KPMG, are required, in accordance with international auditing standards, to annually report to the Council on:
- Their opinion on the Statement of Accounts
  - Any uncorrected items in the Statement of Accounts
  - Qualitative aspects of the Council's accounting practices and financial reporting
  - The Annual Governance Statement
  - Their annual Value for Money conclusion
- 1.2 They also report annually on their audit of the Council's accounting and internal control systems.

- 1.3 The KPMG report on the 2014/15 audit is attached as Appendix A.  
Financial Statements (Section Three, pages 4 to 8; and Appendix 3 page 13)
- 1.4 The final version of the Statement of Accounts, reflecting the minor amendments required by the external auditors, is attached as Appendix B. 2 audit adjustments were identified but have not been implemented as it has been agreed with KPMG that they are not material.
- 1.5 KPMG anticipate issuing an unqualified audit opinion by 30 September 2015. In addition they will report that the Annual Governance Statement is satisfactory and not misleading or inconsistent with other information gathered from the audit.

#### **Value for Money (Section Four, page 9)**

- 1.6 KPMG concluded that the Council has made proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2015.

#### **Other Matters**

- 1.7 The report confirmed that the overall control environment was effective. Key financial systems are generally sound and the auditors made 2 Recommendations, one around compliance with Council policy and the second one regarding the frequency and timing of the valuation of the Council's assets.

### **2. Options analysis and proposal**

- 2.1 That the Deputy Chief Executive in his role as the statutory Chief Financial Officer, and the Chairman of the Audit Committee sign the draft letter of representation as appended to the auditor's report (page 14 ).
- 2.2 That the Committee note the recommendations made in Appendices 1 and 2, of the auditor's report and draft responses made by Officers. Progress on implementation will be reported back to the next meeting of the Committee.

### **3. Financial implications**

- 3.1 There are none.

### **4. Other considerations**

- 4.1 There are none.

### **5. Timetable for implementation**

- 5.1 As per the responses set out to the recommendations.

**Background papers: None**

#### **Appendices:**

**KMPG Report**

**Audited Statement of Accounts 2014/15.**