

Extract of draft minutes from Audit Committee 15 December 2010

Annual Audit Letter

Prior to receiving the Annual Audit Letter some members expressed concern that the covering report particularly paragraph 8 which detailed the Chief Executive's response to the Letter (page 11 in the agenda) was perhaps complacent and that there appeared to be no evidence to support the statements made within the paragraph.

Councillor de Rhe-Philippe assured members that nobody was complacent. She stressed that Wiltshire Council was better placed than most and was already making savings.

Chris Wilson, Partner, KPMG, explained to the Audit Committee that the Annual Audit Letter summarises the key issues that have arisen from the work that has been undertaken during 2009/10 audit of Wiltshire Council highlighting good performance and recommendations to improve performance.

- **Use of Resources (Value for Money)** - An unqualified value for money conclusion has been made for 2009-10.

KPMG were satisfied that appropriate arrangements were in place for securing economy, efficiency and effectiveness in the council's use of resources. Adequate procedures were in place for managing its finances. KPMG recognised that improvements had been made in a number of areas. Areas for improvement included cost and performance benchmarking, defining corporate fees and charges strategies and the approach to debt monitoring.

- **Financial Statements (Annual Accounts)** – An unqualified opinion on the annual accounts has been made for 2009-10.

KPMG were satisfied that the accounts gave a true and fair reflection of the council's financial position.

The difficulties of introducing a new financial system (SAP) were acknowledged. It was noted that a number of control and operational issues needed to be addressed and that this was ongoing. There was much improvement from earlier in the year and significant progress has been made.

Members expressed concern over the timescales of receiving funds back from the Icelandic Banks which collapsed in 2008. It is anticipated that funds from Heritable would adhere to prescribed timescales however it is likely that Landsbanki would take longer due to a High Court Case. It is expected that all money will be returned except for £2.4M.

Resolved:

That the Letter be noted.