

WILTSHIRE COUNCIL

AUDIT COMMITTEE

4 SEPTEMBER 2013

Subject: KPMG: REPORT TO THOSE CHARGED WITH GOVERNANCE (ISA 260) 2012/2013

Cabinet member: Dick Tonge – Finance, Performance and Risk

Key Decision: No

Purpose of Report

1. To present KPMG's "Report to those charged with governance" to the Audit Committee and to invite Members to consider their response. KPMG will attend the meeting of the Audit Committee to present the report and to respond to any queries.

Background

2. This report has been prepared by the Council's external auditor (KPMG) and it summarises the conclusions and key issues arising from the recent audit of the Council's financial statements and their assessment of the Council's arrangements to secure value for money (vfm) in its use of resources.

Main Considerations for the Council

3. The headlines are incorporated into section two of the KPMG report. These are summarised as follows:
 - KPMG anticipates issuing an unqualified audit opinion on 4 September 2013.
 - KPMG identified one audit adjustment to the draft financial statements, which relates to a technical accounting adjustment. This was due to one balance being reported as a debtor instead of as a creditor. Processes are being reviewed to tighten procedures for 2013/2014. This adjustment does not affect either the cost of providing services or the net worth of the Council. This has been adjusted by the Council.

- KPMG concluded that the council continued to evidence a strong financial reporting process and produced draft financial statements of high quality.
- KPMG have concluded that the Council has made proper arrangements to secure economy, efficiency and effectiveness in its use of resources. KPMG anticipates issuing an unqualified VFM audit opinion by 4 September 2013.

Risk Assessment

4. There are no direct risk implications associated with this report.

Equality and Diversity Impact of the Proposal

5. None have been identified as arising directly from this report.

Environmental Impact of the Proposal

6. There are no direct environmental implications associated with this report.

Financial Implications

7. KPMG's Report to those charged with Governance is relevant to the Council's financial arrangements.

Legal Implications

8. KPMG's Report to those charged with Governance is relevant to the Council's legal arrangements.

Recommendations

9. That the Audit Committee receive the draft accounts for 2012/2013.
10. The Audit Committee delegates the signing of the letter of the management representation letter to the Chairman of the Audit Committee.

Reason for Recommendations

11. To present KPMG's Report to those charged to governance to the Audit Committee and to invite Members to consider their response.

MICHAEL HUDSON

Service Director, Finance

Report Author: Matthew Tiller – Chief Accountant

The following unpublished documents have been relied on in the preparation of this report:

None.

Appendices:

Appendix A - KPMG REPORT TO THOSE CHARGED WITH GOVERNANCE
(ISA 260) 2012/2013