

**Extract of minutes from the meeting of Audit Committee on  
9.12.09**

**39. Annual Audit Letter**

Darren Gilbert, of External Auditors KPMG, introduced the Annual Audit Letter which summarised the key issues arising from KPMG's 2008-09 audit at Wiltshire County Council.

The key areas identified were:

- The use of resources assessments
- Financial statements; KPMG have worked with the finance team to resolve the issues and gave a positive unqualified opinion on 20 November 2009.
- Risk based project work; the third phase was about to begin.

Mr Gilbert explained that the Annual Audit Letter was a public facing summary of the work undertaken by KPMG but that all the conclusions and reports had already been presented to the Audit Committee (or its predecessor the Final Accounts and Audit Committee) throughout the year.

It was agreed that the issues surrounding the Final Statement of Account for Wiltshire County Council had been clearly identified at the last meeting of the Audit Committee and that the committee should now focus on ensuring that the measures being put in place were adequate.

Darren Gilbert and Chris Wilson, both of external auditor KPMG, answered questions from councillors including some regarding the additional fees, of which there were two identified elements; firstly a significant additional amount of work required for the audit of Wiltshire County Council's Final Accounts, and secondly unplanned ad-hoc investigations and reviews (two of these being items on this meeting's agenda), covered by a fixed and pre-agreed rate, which were mostly commissioned by Wiltshire County Council and its Chief Executive, although some were prompted by electors.

Councillors were reassured that the Audit Committee should not be required to be more involved with the budget allocation as the Chairman and Vice Chairman of the Audit Committee would ensure that this was covered by regular meetings with the Chairman and Vice-Chairman of the Overview and Scrutiny Management and Resources Select Committee. The Budget is also questioned at the Overview and Scrutiny yearly Budget Meeting in February as well as being monitored by the Budget and Performance Scrutiny Task Group.

**Resolved:**

**To include the following in the Audit Committee's work programme:**

- **Monitoring benefits realisation**
- **Regional Financial Management Improvement**
- **Appropriate close down procedures are in place for the preparation of the 2009-10 financial statements**
- **Monitoring the implementation of the SAP system, including ensuring that sufficient assurance over the completeness and accuracy of the opening balances and other key data transferred into the new system are received.**
- **To ensure that Wiltshire Council is reviewing, and updating if necessary, its financial systems and other arrangements to enable its financial statements to be prepared under the International Financial Reporting Standards (IFRS) as will be required of local government bodies from 2010-11.**

**DRAFT**