

**WILTSHIRE COUNCIL**

**AUDIT COMMITTEE**

**29 JULY 2015**

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**Subject: KPMG: REPORT TO THOSE CHARGED WITH GOVERNANCE (ISA 260) 2014/2015**

**Cabinet member: Dick Tonge – Finance, Performance and Risk**

**Key Decision: No**

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**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.
  - KPMG identified three audit adjustment to the draft financial statements, which relates to technical accounting adjustments. These adjustments only affect the presentation of the financial statements but does not affect the cost of providing services. They have all been adjusted by the Council.

- The adjustments are summarised below. Full details are included in the KPMG report):
  - The first adjustment is due to the accounting code requirement to net cash and overdrafts on the balance sheet.
  - The second adjustment relates to the accounting treatment of capital expenditure.
  - The third adjustment relates to bringing Foundation Schools back onto the Wiltshire Council Balance Sheet.
- KPMG noted consistency in the quality of the accounts and the supporting working papers. Also that officers dealt with audit queries and that the audit process has been completed within planned timescales.
- 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.

### **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 considers the ISA 260 report from external auditors in its receipt of the draft accounts for 2014/2015. Based upon that advice, and subject to any issues raised as a result of that consideration, the Audit Committee delegates the signing of the letter of the management representation letter to the Chairman of the Audit Committee.

## **Reason for Recommendations**

10. 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

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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) 2014/2015