



Policy, Finance and Development Committee	Tuesday, 02 February 2016	Matter for Information
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Title: External Audit - Annual Audit Letter 2014/15

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1. Introduction

Attached as an Appendix is the Annual Audit Letter for 2014/15 from KPMG, the Council's external auditors.

2. Recommendations

Members note the contents of the report.

3. Information

The attached Appendix is the statutory annual audit letter 2014/15 from the Council's external auditors. In summary, it confirms the following:

Value for money conclusion: Unqualified VFM conclusion. The external auditors were satisfied that proper arrangements for securing financial resilience were in place in order to secure economy, efficiency and effectiveness.

Audit Opinion: An unqualified opinion on the Council's financial statements was issued.

Financial statements audit: The external auditors experienced some difficulties in completing their audit arising from delays in responding to requests for explanatory information. These issues have been discussed with the relevant officers to ensure that in future years the audit proceeds to plan. This is particularly important because the deadline for completion of the annual audit is being brought forward from 2017/18.

Annual governance statement: The auditors confirmed the statement was consistent with their understanding of the governance of the Council.

Whole of Government Accounts: The auditors confirmed that the WGA was consistent with the audited financial statements.

High priority recommendations: The auditors highlighted three high priority recommendations regarding bank reconciliations and payroll. As a result, additional resources have been applied to ensure reconciliations are carried out promptly and regularly. The Chief Financial Officer met with the payroll service providers to agree amendments to the Service Level Agreement to address the issues raised by the auditors.

Certificate: The audit certificate was issued on 29 September 2015.

Audit fee: The scale fee for 2014/15 was £57,045. However, the additional time spent

on the audit because of the delays referred to above added an extra £7,016 to the bill. The Council also asked KPMG to review the accounting treatment for the costs of the new swimming pool and leisure centre, for which a fee of £1,707 was agreed. All these figures are exclusive of VAT.

Background Papers:-

None

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Implications	
Financial (MH)	No direct implications.
Legal (AC)	No direct implications.
Risk (MH)	External audit is a key component of the Council's internal control framework. Outcomes of all internal audit reviews will be considered in the context of the strategic risk register.
Equalities (AC)	No direct implications.