



**Audit Committee**  
25 September 2013

**Report from the Deputy Director of  
Finance**

To Note

Wards affected:  
ALL

**Statement of Accounts 2012/13 and External Auditor  
Reports**

**1.0 Summary**

- 1.1 The Audit Committee has responsibility for considering issues raised by the external auditors as part of the process of approving the annual statement of accounts. The basis for this consideration is the “report to those charged with governance” also referred to as the ISA260 report. The Council’s external auditors, KPMG, produce the report following completion of the audit of accounts. The report is intended to identify any changes to the accounts, unadjusted mis-statements or material weaknesses in controls identified during the audit work. It also provides the overall value for money conclusion for the year. A separate ISA260 has been produced for the Pension Fund accounts and this will also be considered by the Pension Fund Sub-Committee.
- 1.2 At the time of writing this report KPMG is in the process of completing the audit of the 2012/13 accounts and the ISA260 reports for the Council and Pension Fund, reflecting the current position, are attached to this report. Based on the current position KPMG intends to give unqualified opinions on the Council and Pension Fund accounts and a clear value for money conclusion.
- 1.3 Representatives from KPMG will attend the meeting to provide an update on the audit and respond to any matters raised by the Committee.

**2.0 Recommendations**

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Meeting  
Date

Version no.  
Date

The Committee is asked to:

- 2.1 Consider the Annual Governance Reports from the Audit Commission and:
- note the adjustments made to the accounts referred to in those reports
  - approve the letters of representation to the Audit Commission
  - approve the statement of accounts

### **3.0 Detail**

#### Statement of Accounts

- 3.1 The process for producing the statement of accounts for 2012/13 has been the subject of regular updates to the Committee. These have set out the progress made against the recommendations produced by the Audit Commission following the audit of the 2011/12 accounts.
- 3.2 On 29 June 2013 the Deputy Director of Finance formally approved the draft Statement of Accounts, in line with the Accounts and Audit Regulations. The audit of the accounts commenced in July.
- 3.3 The overall progress made by the Council during the last two years has continued and the draft ISA 260 recognises the improvements made in the quality of the accounts and supporting working papers.

#### Publication of Statement of Accounts

- 3.4 The Council is required to publish the 2012/13 accounts by 30 September 2013. The statement of accounts attached to this report incorporates the changes agreed with KPMG to date and it is proposed that this set of accounts, subject to any changes from the completion of the audit work, is published on the Council's website.
- 3.5 Once the audit has been completed a Letter of Representation (Appendix 3 of the ISA260 report) needs to be signed prior to KPMG issuing an audit opinion.

### **4.0 Financial Implications**

- 4.1 There have been some adjustments to the Statement of Accounts during the course of the audit none of these have impacted on the financial position of the Council.

### **5.0 Legal Implications**

- 5.1 No specific implications.

### **6.0 Diversity Implications**

6.1 No specific implications

**7.0 Staffing Implications**

7.1 No specific implications.

**8.0 Background Information**

Accounts and Audit Regulations 2011  
Progress reports to Audit Committee – 9 January 2013, 20 March  
2013, 26 June 2013

**9.0 Contact Officer**

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