



Audit Committee
29 September 2014

**Report from the Chief Finance
Officer**

To Note

Wards affected:
ALL

**Statement of Accounts 2013/14 and External Auditor's
Report**

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.

1.2 At the time of writing this report KPMG is in the process of completing the audit of the 2013/14 accounts and the ISA260 report, reflecting the current position, is attached as Appendix 1 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

The Committee is asked to:

2.1 Review the Annual Governance Report from KPMG and:

- consider the key issues and recommendations
- consider the corrected audit differences
- approve the statement of accounts
- approve the letter of representation to KPMG

3.0 Detail

Statement of Accounts

- 3.1 The draft statement of accounts for 2013/14 was presented to the Committee at its meeting on 26 June 2014. The audit of the accounts commenced in July.
- 3.2 The attached ISA260 report sets out the anticipated results of the audit with the key points being:
- Unqualified audit opinion
 - Positive feedback on the accounts production and audit process
 - the Authority has made proper arrangements to secure economy, efficiency and effectiveness in its use of resources
- 3.3 As a result of the audit recommendations for future improvements have been identified and a number of adjustments to the accounts have been agreed by council officers and KPMG.
- 3.4 Although the values are significant none of the adjustments have any impact on the council's general fund position or financial standing. It should also be noted that the late issuance of government guidance regarding the treatment of the new business rates retention system has made the compilation of the Collection Fund accounts.

Publication of Statement of Accounts

- 3.5 The Council is required to publish the 2013/14 accounts by 30 September 2014. The statement of accounts attached as Appendix 2 to this report incorporates the changes agreed with KPMG to date. Once approved, the statement of accounts will be published on the Council's website.
- 3.6 Once the audit has been completed a Letter of Representation needs to be signed prior to KPMG issuing an audit opinion. A draft letter, setting out confirmation from the Council regarding the financial statements and information provided as part of the audit process, is attached as Appendix 3

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
Draft Accounts to Audit Committee – 26 June 2014

9.0 Contact Officer

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