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This report is addressed to the Authority and has been prepared for the sole use of the Authority. We take no responsibility to any member of staff acting in their individual capacities, or to third parties. The Audit Commission has issued a document entitled Statement of Responsibilities of Auditors and Audited Bodies. This summarises where the responsibilities of auditors begin and end and what is expected from the audited body. We draw your attention to this document which is available on the Audit Commission's website at www.auditcommission.gov.uk.

External auditors do not act as a substitute for the audited body's own responsibility for putting in place proper arrangements to ensure that public business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively.

If you have any concerns or are dissatisfied with any part of KPMG's work, in the first instance you should contact Philip Johnstone, the appointed engagement lead to the Authority, who will try to resolve your complaint. If you are dissatisfied with your response please contact Trevor Rees on 0161 246 4000, or by email to trevor.rees@kpmq.co.uk, who is the national contact partner for all of KPMG's work with the Audit Commission. After this, if you are still dissatisfied with how your complaint has been handled you can access the Audit Commission's complaints procedure. Put your complaint in writing to the Complaints Unit Manager, Audit Commission, 3rd Floor, Fry Building, 2 Marsham Street, London, SW1P 4DF or by email to complaints@audit-commission.gsi.gov.uk. Their telephone number is 0303 4448 330.



Section one

Headlines

This report summarises the key findings from our 2013/14 audit of the London Borough of Brent (the Authority).

Although this letter is addressed to the Members of the Authority, it is also intended to communicate these issues to key external stakeholders, including members of the public.

Our audit covers the audit of the Authority's 2013/14 financial statements and the 2013/14 VFM conclusion.

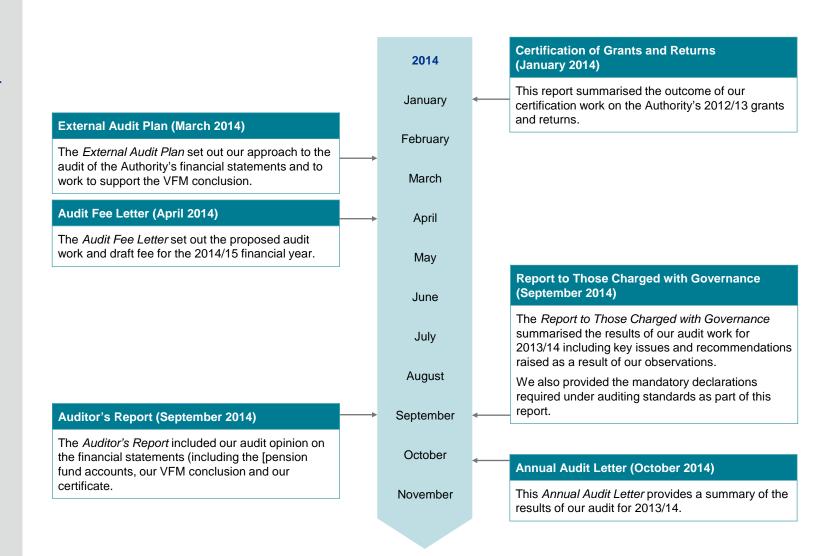
VFM conclusion	We issued an unqualified conclusion on the Authority's arrangements to secure value for money (VFM conclusion) for 2013/14 on 30 September 2014. This means we are satisfied that you have proper arrangements for securing financial resilience and challenging how you secure economy, efficiency and effectiveness. To arrive at our conclusion we looked at your financial governance, financial planning and financial control processes.
Audit opinion	We issued an unqualified opinion on your financial statements on 30 September 2014. This means that we believe the financial statements give a true and fair view of the financial position of the Authority as at 31 March 2014 and of its expenditure and income for the year then ended. The financial statements also include those of the pension fund and the Authority's Group, which consists of the Authority itself and Brent Housing Partnership Limited.
Financial statements audit	The Authority changed the format of the financial statements this year to help make them easier for interested parties to read. We welcome this approach by officers which shows considerable thought and in our view has succeeded in its aim to make the accounts more easily readable.
	We identified one material adjustment of £28.7 million to the primary financial statements which related to the valuation of additions to Council dwellings. This, and five other non trivial adjustments, were made to the draft financial statements. These had no impact on the Council's General Fund or Housing Revenue Account balances.
Annual Governance Statement	We reviewed your Annual Governance Statement and concluded that it was consistent with our understanding.
Pension fund audit	There were no significant issues arising from our audit of the pension fund.
Whole of Government Accounts	We reviewed the consolidation pack which the Authority prepared to support the production of Whole of Government Accounts by HM Treasury. We reported that the Authority's pack was consistent with the audited financial statements.
Certificate	We issued our certificate on 30 September 2014.
	The certificate confirms that we have concluded the audit for 2013/14 in accordance with the requirements of the <i>Audit Commission Act 1998</i> and the Audit Commission's <i>Code of Audit Practice</i> .
Audit fee	Our fee for 2013/14 for the Authority's accounts was £266,120 excluding VAT and for the Pension Fund £21,000 excluding VAT. This final fee is subject to agreement with the Audit Commission as additional work was required in connection with National Non Domestic Rates. Further details are contained in Appendix 2.



Appendices

Appendix 1: Summary of reports issued

This appendix summarises the reports we issued since our last *Annual Audit Letter*.





Appendices

Appendix 2: Audit fees

This appendix provides information on our final fees for 2013/14.

To ensure openness between KPMG and your Audit Committee about the extent of our fee relationship with you, we have summarised the outturn against the 2013/14 planned audit fee.

External audit

Our final fee for the 2013/14 audit of the Authority was £266,120 (2012/13: £272,367). This compares to a planned fee of £263,520. The reason for this variance is that we had to complete additional work on the financial statements relating to National Non Domestic Rates where in the past we had audited this income separately as part of certification of grants and returns work.

Our final fee for the 2013/14 audit of the Pension Fund was in line with the planned fee of £21,000 (2012/13 £21,000).

Our fees for the additional work are still subject to final determination by the Audit Commission.

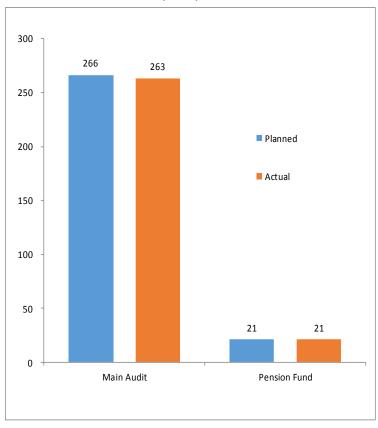
Certification of grants and returns

Our grants work is still ongoing and the fee will be confirmed through our report on the *Certification of Grants and Returns 2013/14* which we are due to issue in January 2015.

Other services

We did not provide any non audit services to the Authority in 2013/14.

External audit fees 2013/14 (£'000)





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