

	<b>Audit Advisory Committee</b> 17 October 2018
	<b>Report from the  Chief Finance Officer</b>
<b>Annual Audit Letter 2017/18</b>	

<b>Wards Affected:</b>	All
<b>Key or Non-Key Decision:</b>	Key
<b>Open or Part/Fully Exempt:</b> (If exempt, please highlight relevant paragraph of Part 1, Schedule 12A of 1972 Local Government Act)	Open
<b>No. of Appendices:</b>	One: <ul style="list-style-type: none"> <li>• KPMG's Annual Audit Letter 2017/18</li> </ul>
<b>Background Papers:</b>	
<b>Contact Officer(s):</b> (Name, Title, Contact Details)	Conrad Hall Chief Finance Officer Email: <a href="mailto:conrad.hall@brent.gov.uk">conrad.hall@brent.gov.uk</a> Tel: 020 8937 6528  Ben Ainsworth Head of Finance Email: <a href="mailto:benjamin.ainsworth@brent.gov.uk">benjamin.ainsworth@brent.gov.uk</a> Tel: 020 8937 1731

## 1.0 Purpose of the Report

- 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 Council's external auditors, KPMG, produced a report following completion of the audit of accounts and an Annual Audit Letter. The letter 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 findings from the value for money conclusion for the year.
- 1.2 KPMG has given unqualified opinions on the Council and Pension Fund accounts and a clear value for money conclusion.

## 2.0 Recommendations

- 2.1 The Committee is asked to review the Audit Letter to those charged with Governance from KPMG and consider the key issues and recommendations.

### **3.0 Detail**

#### **Annual Audit Letter**

- 3.1 The final certified statement of accounts for 2017/18 was published on the Council's website on 31 July 2018, as required by statutory regulation. This timescale is two month earlier than last year and has required the Council to both shorten its processes and make more use of estimation to produce the accounts on time.
- 3.2 The Annual Audit Letter addressed to the Members of the Authority was issued in August 2018 and sets the external auditors' unqualified opinion of the financial statements with the following key points:
- One non-adjusted audit difference was identified relating to the classification of National Non Domestic Rates provisions between long and short term which has no impact on the comprehensive income and expenditure account (CIE)
  - Six adjusted audit differences were found, four in the area of Property Plant and Equipment (PPE), although there was no overall impact on the CIE or usable reserves. Recommendations were made to strengthen controls around the asset register
  - Positive feedback on the accounts production and audit process was made and no other significant issues arose from their work
  - The Authority has appropriate arrangements to secure economy, efficiency and effectiveness in its use of resources.

### **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 medium term financial position of the Council.
- 4.2 Arrangements are being made to improve processes in line with recommendations made.

### **5.0 Legal Implications**

- 5.1 No specific implications.

### **6.0 Equality Implications**

- 6.1 No specific implications.

### **7.0 Consultation with Ward Members and Stakeholders**

- 7.1 Not applicable.

**Report sign off:**

**CONRAD HALL**  
Chief Finance Officer