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Annual Audit Letter 2012/13

Northampton Borough Council

October 2013





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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 Neil Bellamy, 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@kpmg.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 03034448330.



Section one Headlines

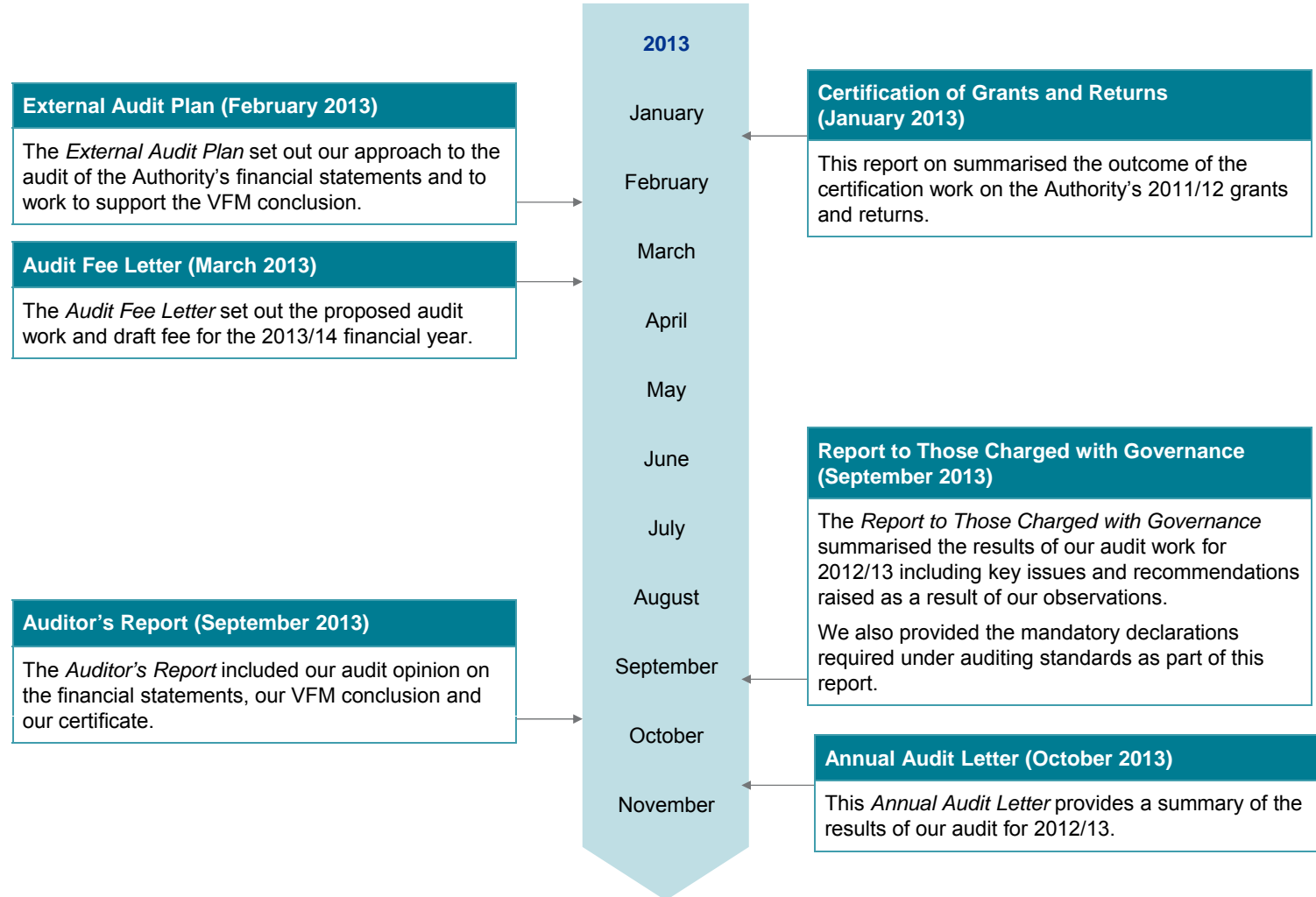
This report summarises the key findings from our 2012/13 audit of Northampton Borough Council (the Authority).

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 2012/13 financial statements and the 2012/13 VFM conclusion.

VFM conclusion	<p>We issued an unqualified Value for Money (VFM) conclusion for 2012/13 on 26 September 2013.</p> <p>This means we are satisfied that you have proper arrangements for securing financial resilience and challenging how you secure economy, efficiency and effectiveness.</p> <p>To arrive at our conclusion we looked at your financial governance, financial planning and financial control processes, as well as how you are prioritising resources and improving efficiency and productivity.</p>
Audit opinion	<p>We issued an unqualified opinion on your financial statements on 26 September 2013. This means that we believe the financial statements give a true and fair view of the financial position of the Authority and of its expenditure and income for the year.</p>
Financial statements audit	<p>We worked closely with Officers throughout the year to discuss specific risk areas and to highlight and address potential audit and accounting issues.</p> <p>There were no material audit adjustments required to be made to the 2012/13 Statement of Accounts. There were a small number of non-trivial adjustments most of which were of a presentational nature. None of these adjustments had an impact to the Council's surplus on provision of services for the year, general fund balance or the net worth of the Authority as at 31 March 2013.</p> <p>We made one recommendation in our <i>Report to Those Charged with Governance</i>, but this was not fundamental or material to your system of internal control.</p>
Annual Governance Statement	<p>We reviewed your <i>Annual Governance Statement</i> and concluded that it was consistent with our understanding.</p>
Whole of Government Accounts	<p>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.</p>
High priority recommendations	<p>We raised no high or medium priority recommendations as a result of our 2012/13 audit work.</p>
Certificate	<p>We issued our certificate on 26 September 2013.</p> <p>The certificate confirms that we have concluded the audit for 2012/13 in accordance with the requirements of the <i>Audit Commission Act 1998</i> and the Audit Commission's <i>Code of Audit Practice</i>.</p>
Audit fee	<p>Our fee for 2012/13 was £106,800, excluding VAT. Further detail is contained in Appendix 2.</p>

This appendix summarises the reports that KPMG have issued since the Audit Commission's 2011/12 *Annual Audit Letter*.





Appendices

Appendix 2: Audit fees

This appendix provides information on our final fees for 2012/13.

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 2012/13 planned audit fee.

External audit

Our final fee for the 2012/13 audit of Northampton Borough Council was £106,800, excluding VAT. This is an overall reduction of 40% on the comparative total fee for 2011/12 of £178,000. This reflects the significant reductions made nationally by the Audit Commission to its scale fees.

The final fee is the same as the planned fee that we communicated to you in our Audit Plan.

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 2012/13* which we are due to issue in January 2014.

Non audit work

In addition we have been appointed to undertake non-audit work to support the Council in submitting a claim for repayment of VAT. The fee for this work is variable dependent on the outcome but is capped at £35,000. Audit Commission approval has been obtained to carry out the work.



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