

Appendices

- A: Annual Audit Letter
- B: KPMG Technical report
- C: KPMG Briefing Papers : Reimagine Local Government



NORTHAMPTON
BOROUGH COUNCIL

AUDIT COMMITTEE REPORT

Report Title	External Audit (KPMG) Annual Audit Letter and Technical Report/Briefing Papers
---------------------	---

AGENDA STATUS:

PUBLIC

Audit Committee Meeting Date:	14 th November 2016
Policy Document:	No
Directorate:	LGSS Finance
Accountable Cabinet Member:	Cllr Brandon Eldred

1. Purpose

- 1.1 To inform the Audit Committee on the key findings and recommendations following external audit work carried out by KPMG on the statement of accounts.
- 1.2 To inform the Audit Committee of technical issues identified by KPMG, and also a series of briefing papers on issues affecting Local Government.

2. Recommendations

- 2.1 It is recommended that the Audit Committee note the annual audit letter which confirmed that the audit did not identify any significant audit differences in the accounts which meant an unqualified opinion on the statements, that a qualified opinion was issued on value for money as anticipated, and the additional recommendation relating to business rate provisions.
- 2.2 It is recommended that the Audit Committee note the technical update paper, and the series of general briefing papers.

3. Issues and Choices

3.1 Report Background

- 3.1.1 The external auditors KPMG provide an annual audit report following completion of the end of year audit. This report picks up on key issues from the ISA260 report and any further issues or developments identified during the finalisation of the audit, and prior to the signing of the audit opinion.
- 3.1.2 The ISA260 indicated that an unqualified opinion was likely on the key financial statements, and following the completion of the audit work this was confirmed in the annual audit letter.
- 3.1.3 The ISA260 indicated that a qualified opinion was likely in regards to value for money relating to the review of loans issued to third parties. The annual audit letter has confirmed this opinion.
- 3.1.4 The annual audit letter also included an additional recommendation relating to the estimation of appropriate provisions for business rate appeals. This is an area the council continues to review and refine, and will be including as part of its ISA260 action plan.
- 3.1.5 KPMG have also provided one of their regular technical update reports, and a series of briefing papers on issues affecting Local Government – Reimagine Local Government.

3.2 Choices (Options)

- 3.2.1 The report and briefing papers are just for noting, however Audit Committee have the opportunity to ask questions directly to the auditors on anything contained in their report, and issues around the external audit process. They also have the opportunity to question management on any of the issues raised.

4. Implications (including financial implications)

4.1 Policy

- 4.1.1 None to report.

4.2 Resources and Risk

- 4.2.1 None to report at present.

4.3 Legal

- 4.3.1 None to report at present.

4.4 Equality

4.4.1 Not applicable.

4.5 Consultees (Internal and External)

4.5.1 None.

4.6 Other Implications

4.6.1 None.

5. Background Papers

5.1 None to date.

Glenn Hammons
Chief Finance Officer, Telephone 01604 366521