

**Appendices 3:**

1. ISA260 Action Plan
2. Final Letter of Representation
3. Summary of minor amendments to SoA 2016/16



## AUDIT COMMITTEE REPORT

<b>Report Title</b>	<b>ISA260 2015/16 Action Plan Progress</b>
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**AGENDA STATUS: PUBLIC**

<b>Audit Committee Meeting Date:</b>	14 November 2016
<b>Policy Document:</b>	No
<b>Directorate:</b>	Management Board
<b>Accountable Cabinet Member:</b>	Cllr B Eldred

### 1. Purpose

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- 1.1 To inform Audit Committee of the progress against the recommendations raised as part of the External Auditor's 2015/16 ISA260 Report and the proposed action plan.
- 1.2 To inform Audit Committee of the final Letter of Representation and minor amendments to the 2015/16 Statement of Accounts (SoA).

### 2. Recommendations

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- 2.1 That the Audit Committee approves the action plan developed by the statutory S151 Chief Finance Officer (CFO) to make improvements in line with the 2015/16 ISA260 Recommendations, and notes the progress achieved to date.
- 2.2 That the Audit Committee note the Letter of Representation and minor amendments to the 2015/16 SoA, both signed under delegated powers by the Chair of Audit Committee and the statutory S151 Chief Finance Officer (CFO).

### **3. Issues and Choices**

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#### **3.1 Report Background**

- 3.1.1 The Audit Committee received the annual ISA260 External Auditor report from KPMG at the meeting on 5<sup>th</sup> September which included a number of recommendations for improvements, and initial responses from management.
- 3.1.2 Audit Committee requested from management that a regular report be brought to each subsequent audit committee detailing progress against the audit recommendations.
- 3.1.3 The final letter of representation (a draft copy of which was circulated by KPMG at the meeting on 5<sup>th</sup> September) was delegated to be signed by the Chair of Audit Committee and the statutory S151 CFO, along with any minor amendments to the 2015/16 SoA resulting from completion of the external audit.

#### **3.2 Progress against external audit recommendations**

- 3.2.1 Following the receipt of the ISA260 report, finance staff in liaison with relevant staff from other departments within LGSS and Northampton Borough Council have been developing a detailed action plan to ensure that all recommendations made would be prioritised accordingly and actioned in an appropriate time period. A summary of the action plan is attached at **Appendix 1**.
- 3.2.2 The action plan has focused on breaking down the issues raised by the ISA260 into a number of actions for each issue, each with an agreed action, indicative timescales for completion. It is proposed that this is shared regularly with the Council's Management Board to highlight progress and where further efforts maybe required.

#### **3.3 The Letter of Representation 2015/16 Accounts**

- 3.3.1 A draft Letter of Representation was circulated to Audit Committee by KPMG on 5<sup>th</sup> September with delegation for the final version to be signed by the Chair of Audit Committee and the statutory S151 CFO. The final signed version which included details of one non adjusted item relating to a non-material error regarding a technical area around derecognising the cost of component assets is attached as **Appendix 2**.

#### **3.4 Minor amendments to SoA 2015/16**

- 3.4.1 Following completion of the External Audit post 5<sup>th</sup> September there were a number of minor amendments made to the SoA 2015/16. These included correcting rounding errors and cross referencing between tables, as well as improvements to the narrative forward to include links to future capital plans and improved clarity around the officers' remuneration information. A

summary of the changes is included at **Appendix 3**. The amended SoA 2015/16 were then resigned by the Chair of Audit Committee and the S151 CFO under delegated powers and can be found here:

<http://www.northampton.gov.uk/downloads/download/102/statement-of-accounts>

### **3.5 Choices (Options)**

3.5.1 The Committee can approve the ISA260 action plan and note progress against it, and note actions taken under delegated powers.

3.5.2 The Committee could request that following review, amendments are made to the action plan.

## **4. Implications (including financial implications)**

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### **4.1 Policy**

4.1.1 There are no policy implications arising from this report.

### **4.2 Resources and Risk**

4.2.1 There are no direct financial implications arising from this report.

### **4.3 Legal**

4.3.1 There are no legal implications arising from this report.

### **4.4 Equality**

4.4.1 There are no equality implications arising from this report.

### **4.5 Consultees (Internal and External)**

4.5.1 Management Board has been engaged in the production of the management action plan, and will be reviewing at regular intervals

### **4.6 Other Implications**

4.6.1 There are no other implications arising from this report.

## **5. Background Papers**

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5.1 The External Audit ISA260 report presented to Audit Committee on 5<sup>th</sup> September 2015.

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