

Report of the Deputy Chief Executive

Report to Corporate Governance and Audit Committee

Date: 20th March 2015

Subject: KPMG Technical Update

Are specific electoral Wards affected? If relevant, name(s) of Ward(s):	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Is the decision eligible for Call-In?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, Access to Information Procedure Rule number: Appendix number:	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

Summary of main issues

1. KPMG have identified no issues from the initial stages of their audit. They have however identified a number of technical issues impacting on local government and brought these to the attention of members.

Recommendations

2. Members are asked to note the contents of KPMG's report.

1 Purpose of this report

- 1.1 To provide members with an overview of KPMG's progress in delivering their external audit responsibilities.
- 1.2 In addition KPMG's report also highlights what they see as the main technical issues which are currently having an impact on local government.

2 Background information

- 2.1 Members of this Committee agreed the external audit plan in January and KPMG are required to keep those charged with governance informed as to progress on completing this plan.
- 2.2 Under the Committee's terms of reference members are to receive external audit reports so as to:
 - (i) inform the operation of Council's current or future audit arrangements; and
 - (ii) provide a basis for gaining the necessary assurance regarding governance prior to the approval of the Council's accounts.

3 Main issues

- 3.1 The attached report from KPMG is split into three main areas:

- Progress against the audit plan;
- KPMG resources;
- Technical update.

3.2 In respect of progress on the audit plan, KPMG have planned and agreed an interim audit timetable with relevant Council Officers. In addition they are continuing to monitor our progress on delivering our savings target as part of the VFM audit.

3.3 In respect of KPMG resources the report informs members of the main issues arising from the joint report of KPMG and Shelter in respect of the housing shortage.

3.4 In addition KPMG's report also informs members of what they see as the main technical issues which are currently having an impact on local government.

4 Corporate Considerations

4.1 Consultation and Engagement

4.1.1 The report does not raise any issues requiring consultation or engagement with the public, Ward members or Councillors.

4.2 Equality and Diversity / Cohesion and Integration

4.2.1 This report does not highlight any issues regarding equality, diversity, cohesion and integration.

4.3 Council Policies and City Priorities

4.3.1 Under the Committee's terms of reference members are to receive external audit reports.

4.4 Resources and Value for Money

4.4.1 The report highlights the auditor's progress in assessing whether the Council has proper arrangements for securing value for money.

4.5 Legal Implications, Access to Information and Call In

4.5.1 None.

4.6 Risk Management

4.6.1 The report states that KPMG have not identified any further risks other than those stated in the external audit plan. KPMG will assess these risks as part of their audit and report back on any issues to this Committee.

5 Conclusions in relation to the financial statements

5.1 KPMG's report concludes that there are no issues being identified by the audit to date that need to be brought to the attention of members. In addition, KPMG have provided members of the Committee with a number of technical updates for their information.

6 Recommendations

6.1 Members are asked to note the contents of KPMG's report.

7 Background documents¹

7.1 None.

¹ The background documents listed in this section are available to download from the Council's website, unless they contain confidential or exempt information. The list of background documents does not include published works.