

Report of the Deputy Chief Executive
Report to Corporate Governance and Audit Committee
Date: 28th January 2016
Subject: KPMG Technical Update Report

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

1 Purpose of this report

- 1.1 The attached report from KPMG is to provide members with information on several major issues affecting local authorities in general.

2 Background information

- 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.
- 2.3 KPMG have provided the attached report to inform members of issues affecting local authorities which they feel the council should be aware of.

3 Main issues

- 3.1 The attached report from KPMG is split into two sections – KPMG resources and technical updates
- 3.2 The section on KPMG resources summarises national reports and other publications on areas which may be of interest to members. It covers the Better Care Fund, the supply of affordable homes, and the impact of audit on public trust in national governments.

- 3.3 The technical update section covers developments affecting local government accounts and audits. In addition to the impact of the Local Audit and Accountability Act which has been addressed by a separate report to this committee, KPMG have summarised several National Audit Office reports which may be of interest.
- 3.4 KPMG have noted that members may wish to seek assurances on the major change to accounting for highways infrastructure assets which will affect the 2016/17 accounts. The council is in a better position than many authorities in terms of the quality of data which it holds on its highways assets, and work is already underway within the Financial Management service to ensure that the council will be able to meet the new accounting requirements.
- 3.5 The report also mentions two low impact areas on which the committee may wish to seek assurances :
- Care Act reforms – Internal Audit have commenced a review in this area which will be included in their update report to committee once it has been completed.
 - City Deals – Full Council frequently receives reports providing updates on devolution matters as they affect the Leeds City Region.

4 Corporate Considerations

4.1 Consultation and Engagement

- 4.1.1 This is a factual report provided by the external auditors and consequently no public, Ward Member or Councillor consultation or engagement has been sought.

4.2 Equality and Diversity / Cohesion and Integration

- 4.2.1 There are no direct implications for equality, diversity, cohesion and integration arising from this report.

4.3 Council policies and Best Council Plan

- 4.3.1 Under this Committee's terms of reference members are required to consider the Council's arrangements relating to external audit, including the receipt of external audit reports.

4.4 Resources and value for money

- 4.4.1 This report does not have any implications for value for money.

4.5 Legal Implications, Access to Information and Call In

- 4.5.1 As this is a factual report provided by the external auditors none of the information enclosed is deemed to be sensitive or requesting decisions going forward and therefore raises no issues for access to information or call in.

4.6 Risk Management

4.6.1 The report covers issues affecting local authorities in general rather than identifying specific risks affecting the council.

5 Conclusions

5.1 KPMG have provided members of the Committee with technical updates on a number of issues 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.