



## Report of the Director of Resources

### Corporate Governance and Audit Committee

Date: 24<sup>th</sup> January 2011

Subject: KPMG report – Annual Audit Letter 2009/10

#### Electoral Wards Affected:

Ward Members consulted  
(referred to in report)

#### Specific Implications For:

Equality and Diversity

Community Cohesion

Narrowing the Gap

### 1.0 Purpose Of This Report

1.1 To provide a summary of the key external audit findings for the 2009/10 financial year.

### 2.0 Background Information

2.1 Each year, KPMG are required to report all key external audit findings to members and publish the results on the Audit Commission website. Such issues are incorporated into an Annual Audit Letter.

### 3.0 Main Issues

3.1 The attached KPMG Annual Audit Letter summarises the findings of all the external audit reports received by this Committee in respect of the financial year 2009/10.

3.2 Members should note the external audit assurances on:

- Value for Money;
- Identification of fraud;
- The Annual governance Statement; and
- The Statement of Accounts.

3.3 The report also highlights two key risks for 2010/11, namely the impact of the Comprehensive Spending Review and the implementation of International Financial Reporting Standards.

### 4.0 Implications For Council Policy And Governance

4.1 The report provides assurance to members that there are no significant issues identified as part of KPMG's external audit work. The Council is required to publish the findings of the KPMG report to external stakeholders by way of the Council's website.

## **5.0 Legal And Resource Implications**

- 5.1 Members should note the audit fee of £504k, with an additional £117k for certification of grants and returns.

## **6.0 Conclusions**

- 6.1 There are no major issues arising from the work of external audit and officers continue to work closely with KPMG to agree and implement any recommendations raised in their reports.

## **7.0 Recommendations**

- 7.1 Members are asked to note the key external audit issues arising from the 2009/10 audit process.

### Background Documents Used

KPMG Financial Statements Audit Plan 2009/10

KPMG Certification and Returns report 2008/09

KPMG Interim Report 2009/10

KPMG ISA 260 report 2009/10