



**Report for:
INFORMATION**

Item Number: 07

Contains Confidential or Exempt Information	NO
Title	External Audit Reports
Responsible Officer	Maria G Christofi, Director of Finance
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Portfolio	Finance and Performance, Cllr Yvonne Johnson
For Consideration By	Audit Committee
Date to be considered	24 June 2014
Implementation Date if Not Called In	N/A
Affected Wards	All
Area Committees	N/A
Keywords/Index	Audit, Control, KPMG

Purpose of Report:

The attached KPMG report sets out in detail the progress to date of the work completed and required to be undertaken for the audit of the 2013/14 Council accounts together with a note of the changes to the fees to be charged.

1. Recommendation

- 1.1 It is recommended that the Committee note the strategy set out in the KPMG audit plans and the progress to date.

2. Reason for Decision and Options Considered

- 2.1 This is a report for information; no decision is required.

3. Key Implications

- 3.1 Under the Code of Audit Practice, appointed auditors are required to comply with the current professional standards. Appointed auditors act quite separately from their organisation and in meeting their statutory responsibilities are required to exercise their professional judgement independently of both KPMG and the audited body. The external auditors will attend the Committee to introduce the above report.

3.2 External audit is an essential element in the process of accountability for public money and makes an important contribution to the stewardship of public resources and the corporate governance of public services. Audit in the public sector is underpinned by three fundamental principles:

3.2.1 auditors are appointed independently from the bodies being audited;

3.2.2 the scope of their work covers the audit of financial statements, value for money and the conduct of public business; and

3.2.3 auditors may report aspects of their work widely to the public and other key stakeholders.

3.3 Audit Approach

3.3.1 Detailed planning of the timetable for the completion of the audit work has been carried out. Members were advised of and noted the External Audit plan at the Audit Committee on 20 March 2014. The main audit will commence after the signing of the Statement of Accounts (SoA) on 13 June. The SoA was given to KPMG on 16 June.

3.3.2 KPMG's external Audit Plan sets out the audit approach on page 4. Key points to draw out are that the Auditors will review the Annual Governance Statement in July and the on-site audit and audit queries will be largely completed by the end of July prior to the draft ISA 260 report being shared with the Council in August. Conclusions on any critical accounting matters to be shown in the draft ISA260 will have been concluded and shared with Ealing officers by the end of July.

4. Financial

4.1 There are no direct financial implications from this report. The latest costs of the audit remain unchanged at £219,510 for the Council and £21,000 for the Pension Fund. The fee for the audit of grant claims has reduced by £9,112 to £37,388 as a result of a reduction in the number of claims to be audited.

5. Legal

5.1 There are no legal implications.

6. Value For Money

6.1 The audit plans set out the work to be carried out by KPMG to reach a conclusion on the Authority's arrangements to secure economy, efficiency and effectiveness in the running of its operations.

7. Risk Management

7.1 None.

8. Community Safety

8.1 Not applicable.

9. Links to Strategic Objectives

9.1 The issues outlined in this report have a particular focus on the Council's organisational improvement objective 'Becoming a high performing organisation, focused on the needs of its communities'.

10. Equalities and Community Cohesion

10.1 No Equality Impact Assessment has been undertaken as the report does not affect the general duties of the Race Relations Amendment Act and the requirements of other equalities legislation.

11. Staffing/Workforce and Accommodation implications:

11.1 Not applicable

12. Property and Assets

12.1 Not applicable

13. Any other implications:

13.1 None

14. Consultation

14.1 As per attached table

15. Timetable for Implementation

15.1 None

16. Appendices

16.1 Appendix 1: KPMG progress report 2013/14

17. Background Information

17.1 None

Consultation

Name of consultee	Department	Date sent to consultee	Date response received from consultee	Comments appear in report para:
Maria G Christofi	Director of Finance	12.06.14	13.06.14	
Nigel Watson	Assistant Director of Finance	12.06.14	12.06.14	

Report History

Decision type: For information	Urgency item? No		
Authorised by Cabinet member:	Date drafted: 12.06.14	report deadline: 16.06.14	Date report sent: 13.06.14
Report no.:	Report author and contact for queries: Bob Scoffham, Head of Financial Control and Reporting, ext: 7960		