



**Report for:
INFORMATION**

Item Number: 7

Contains Confidential or Exempt Information	NO
Title	External Audit Reports
Responsible Officer	Maria G Christofi, Director of Finance
Author	Bob Scoffham, Head of Financial Control and Reporting Tel: 020 8825 7988. E-mail: scoffhr@ealing.gov.uk
Portfolio	Finance and Performance, Cllr Yvonne Johnson
For Consideration By	Audit Committee
Date to be considered	20 March 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 reports set out in detail the work to be undertaken for the audit of the 2013/14 Council accounts and the associated costs, the progress to date and details of certifying the 2012/13 audit.

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 Objection to the 2012/13 Accounts

3.3.1 KPMG have now issued their “Decision and Statement of Reasons” relating to the objection to the 2012/13 accounts. They found no evidence that the Council’s income in relation to parking penalty charge notices was unlawful.

3.3.2 The objector has made no further objections to the 2012/13 accounts and as a result the auditors have issued the “Notice of certification of completion of the audit”.

3.3.3 Notice to this effect was advertised in the Ealing Gazette on 21 February 2014.

3.4 Audit Approach

3.4.1 Detailed planning of the timetable for the completion of the audit work will be carried out prior to the start of the audit.

3.4.2 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 completed by the end of July prior to the draft ISA 260 being shared with the Council.

4. Financial

4.1 There are no direct financial implications from this report. The costs of the audit are shown on page 18 of the 2013/14 external audit plan.

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 audit plan for the London Borough of Ealing and Ealing pension fund

16.2 Appendix 2: 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	10.03.14	10.03.14	Throughout
Nigel Watson	Assistant Director of Finance	10.03.14	10.03.14	Throughout

Report History

Decision type: For information	Urgency item? No		
Authorised by Cabinet member:	Date drafted: 07.03.14	report deadline: 11.03.13	Date report sent: 11.03.13
Report no.:	Report author and contact for queries: Bob Scoffham, Head of Financial Control and Reporting, ext: 7998		