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External Audit: Progress Report

London Borough of Ealing

June 2013

London Borough of Ealing

External Audit: Progress report 2012/13

<p>Summary of work performed by KPMG</p>	<p>Since the last Audit Committee meeting on 20 March 2013 we have;</p> <ul style="list-style-type: none"> • Updated our initial planning and approach to the audit; • Documented our understanding of the processes for Property, Plant and Equipment, Pension liability, Private Finance Initiative (PFI), journal transactions and cash systems and completed walk through tests where applicable at the interim audit; • Commenced the initial review of your overall financial management and governance arrangements in order to support our value for money conclusion; and • Started the planning for our audit of your grant claims. <p>There are no issues arising from our work in the quarter that we need to raise with the Audit Committee.</p>												
<p>Summary of work proposed over next quarter</p>	<p>Our work over the next quarter will focus on:</p> <ul style="list-style-type: none"> • Auditing the financial statements we are due to receive on 30 June 2013 and preparing our ISA 260 report for the September Audit Committee meeting; • Completing our work on your value for money conclusion; • Auditing your Whole of Government Accounts return in line with the National Audit Office requirements; • Initial work on the Housing Benefit grant claim including reconciliations with the financial systems; and • Auditing the Capital Receipts Return and National Non Domestic Rates Return. 												
<p>Staffing</p>	<p>Tony Crawley has been appointed as the Director to replace Andrea White who left KPMG in April 2013. Tony and Andrea met with Martin Smith and Ian O'Donnell as part of our handover arrangements.</p>												
<p>Fees</p>	<p>We have issued our fee letter for 2013/14 which is in line with the scale fee recommended by the Audit Commission.</p> <table border="1" data-bbox="277 1245 1148 1535"> <thead> <tr> <th>Audit Area</th> <th>2013/14 (Proposed Scale Fee)</th> <th>2012/13 (planned Fee)</th> </tr> </thead> <tbody> <tr> <td>Audit of London Borough of Ealing</td> <td>£219,510</td> <td>£219,510</td> </tr> <tr> <td>Audit of Pension Fund</td> <td>£21,000</td> <td>£21,000</td> </tr> <tr> <td>Certification of grant claims</td> <td>£46,500</td> <td>£52,700</td> </tr> </tbody> </table> <p>The Audit Commission has calculated the composite indicative fee for the certification of grant claims and returns. This is based on the Council requiring specific grants claims and returns to be certified.</p>	Audit Area	2013/14 (Proposed Scale Fee)	2012/13 (planned Fee)	Audit of London Borough of Ealing	£219,510	£219,510	Audit of Pension Fund	£21,000	£21,000	Certification of grant claims	£46,500	£52,700
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Actions	The Audit Committee is asked to: <ul style="list-style-type: none">• NOTE this progress report.	
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Local Government Update

Matter	Impact on the Council
<p data-bbox="77 416 329 447">Recent publications</p> <p data-bbox="77 478 868 509">The Commissioning Joint Committee Guide to Service Sharing</p> <p data-bbox="77 530 1133 675">CIPFA published the above guide to service sharing in May 2013. Service sharing has moved on a long way, and a great deal of experience has been gained in the traditional ways of sharing services, and some new ways have been found. This guide reviews all the different methods, in order to try to pin down those that seem to work well in some circumstances and badly in others.</p> <p data-bbox="77 689 1053 747">Prudential Code for Capital Finance in Local Authorities - Guidance Notes for Practitioners 2013 edition</p> <p data-bbox="77 768 1129 986">CIPFA developed The Prudential Code for Capital Finance in Local Authorities (the Code) as a professional code of practice to support local authorities in taking decisions on capital investments. Key objectives of the Code are to ensure, within a clear framework, that local authorities' capital investment plans are affordable, prudent and sustainable; that treasury management decisions are taken in accordance with good professional practice; and that local strategic planning, asset management planning and proper option appraisal are supported.</p> <p data-bbox="77 992 1125 1083">This guidance is intended to give practitioners a practical interpretation of the Code to enable them to meet its key principles of ensuring that capital programmes are affordable, prudent and sustainable and to explain this effectively to those charged with governance.</p>	<p data-bbox="1156 457 1343 488">For information.</p>