
Financial Statements 2016/17

- Annual Audit Letter

Committee considering report:	Governance and Ethics Committee
Date of Committee:	27 November 2017
Portfolio Member:	Councillor Anthony Chadley
Date Portfolio Member agreed report:	
Report Author:	Lesley Flannigan
Forward Plan Ref:	GE3257

1. Purpose of the Report

To provide Members with the Final Annual Audit Letter 2016/17 from KPMG, this audit letter summarises the outcome from their audit work at West Berkshire Council in relation to the 2016/17 audit year.

2. Recommendation

2.1 Members are requested to note the Annual Audit Letter.

3. Implications

3.1 **Financial: N/A**

3.2 **Policy: N/A**

3.3 **Personnel: N/A**

3.4 **Legal: N/A**

3.5 **Risk Management:
N/A**

3.6 **Property: N/A**

3.7 **Other: N/A**

4. Other options considered

4.1 None

5. Introduction / Background

- 5.1 The Annual Audit letter summarises the results of the audit of this Council in 2016/17.
- 5.2 Value for Money was given an unqualified conclusion; KPMG concluded that the Authority has made proper arrangements for securing economy, efficiency and effectiveness in the use of its resources.
- 5.2.1 KPMG commented on two areas of Value for money:
- a) The risks of making investments outside the Authority's geographical area.
 - b) The Authority's reserves are sufficient to deliver services and take appropriate risks in amending service delivery models without impacting on the financial viability of the organisation.
- 5.3 KPMG issued an unqualified opinion on the Council's financial statements on 27th September 2017.
- 5.3.1 KPMG have raised no high priority recommendations.
- Three medium priority recommendations were raised.
- 1) Review of asset valuation report; recommended that the report is reviewed by interested and informed parties with in the Authority to ensure it is complete and accurate.
 - 2) Valuation instructions; recommended that the authority review the instructions provided to the valuer to ensure only owned assets are included. In addition KPMG recommended that the authority consider the best approach to gaining external assessments of the useful lives of its assets.
 - 3) Agresso user accounts; recommended the introduction of a monthly user account / leaver review and reconciliation to ensure all user accounts are closed appropriately.
- 5.3.2 Finance and Property has put in place action points for the three recommendations:
- 1) Property, Capital team and Financial reporting team to review the asset valuation report once received.
 - 2) Property has reviewed the instructions provided to valuers and has provided an explanation of what is required regarding the useful life of an asset.
 - 3) All user accounts are now being closed when the user leaves and if the information is not available as to who will authorise on the cost centres looked after by the leaver, these cost centres will now go to the Head of Service until the information is available.
- 5.4 KPMG agreed the Whole of Government Accounts return for central government was consistent with the audited Financial Statements.

6. Proposal

The Governance and Ethics Committee are requested to note the Final Audit letter for the financial year 2016/17.

7. Conclusion

Members are requested to note the Final Audit letter from KPMG for 2016/17.

8. Appendices

8.1 Appendix A –KPMG Final Audit Letter