

<b>Title of Report:</b>	<b>KPMG Governance Report: Financial Statements 2009-10</b>
<b>Report to be considered by:</b>	Governance and Audit Committee
<b>Date of Meeting:</b>	27 September 2010
<b>Forward Plan Ref:</b>	N/a

**Purpose of Report:** To inform those charged with governance (the Governance & Audit Committee) of the findings from KPMG's external audit of the financial statements.

**Recommended Action:** To note and comment on the report.

**Reason for decision to be taken:** To ensure those charged with Governance have received the external audit governance report in accordance with statutory deadlines.

**Other options considered:** None

**Key background documentation:** West Berkshire Council Financial Statements 2009-10

The proposals will also help achieve the following Council Plan Theme:  
 **CPT13 - Value for Money**  
 The proposals contained in this report will help to achieve the above Council Plan Priorities and Themes by:

Portfolio Member Details	
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<b>Date Portfolio Member agreed report:</b>	15 September 2010

Contact Officer Details	
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# Executive Summary

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## 1. Introduction

- 1.1 The Council published its financial statements in late June 2010 following approval from the Governance and Audit Committee. The financial statements are then required to be audited by our independent external auditor, KPMG, with a report presented to those charged with governance (the Governance and Audit Committee) by 30<sup>th</sup> September.
- 1.2 KPMG audited WBC accounts during August and early September, as well as completing interim work during the Spring. It is the result of this work that is included in their report.
- 1.3 KPMG's audit fees are £276,000 in total. £35,000 of this relates to the audit of specific grants, such as Housing Benefits and the Teachers Pension return.
- 1.4 The attached report at appendix A is KPMG's full governance report for this committee in respect of the audit of the 2009-10 financial statements.
- 1.5 The key aspect of the report is that KPMG will issue an unqualified opinion, that the audit identified no adjustments that were of a material nature, that the 'non-significant' adjustments have been made by the Council and the quality of the accounts and audit working papers were high.

## 2. Proposals

- 2.1 The proposal is for the committee to note the contents of this report. KPMG have highlighted a number of recommendations which the Council is responding.

## 3. Conclusion

- 3.1 For the committee to note the report and ask the external auditor any questions concerning the audit of the financial statements.
- 3.2 The report concludes that there are no errors of a nature that KPMG would like to bring to the attention of those charged with governance.
- 3.3 It should be noted that, following the abolition of the Audit Commission by the coalition in August, it is likely that those charged with governance (the Governance and Audit Committee) will be required to appoint the external audit provider from 2012/13.

## Appendices

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Appendix A – KPMG ISA260+ governance report (to Follow)

## Consultees

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### Local Stakeholders:

**Officers Consulted:** Andy Walker (Head of Finance), Lesley Flannigan (Finance Manager, Financial Reporting), Corporate Board

### Trade Union:

