

Title of Report:	KPMG's Governance Report (ISA 260+) - 2010-11
Report to be considered by:	Governance and Audit Committee
Date of Meeting:	5 th September 2011
Forward Plan Ref:	GA2363

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 the report and any accompanying recommendations

Reason for decision to be taken: Accounts and Audit Regulations 2011

Other options considered: none

Key background documentation: Financial Statements 2010-11

The proposals will also help achieve the following Council Plan Theme:

CPT13 - Value for Money

Portfolio Member Details	
Name & Telephone No.:	Councillor Keith Chopping - (0118) 983 2057
E-mail Address:	kchopping@westberks.gov.uk
Date Portfolio Member agreed report:	25 August 2011

Contact Officer Details	
Name:	Joseph Holmes
Job Title:	Chief Accountant
Tel. No.:	01635 519474
E-mail Address:	jholmes@westberks.gov.uk

Implications

Policy: none
Financial: Included within the report
Personnel: none
Legal/Procurement: none
Property: none
Risk Management: none
Equalities Impact Assessment: No decision required

Is this item subject to call-in?	Yes: <input type="checkbox"/>	No: <input checked="" type="checkbox"/>
If not subject to call-in please put a cross in the appropriate box:		
The item is due to be referred to Council for final approval	<input type="checkbox"/>	
Delays in implementation could have serious financial implications for the Council	<input type="checkbox"/>	
Delays in implementation could compromise the Council's position	<input checked="" type="checkbox"/>	
Considered or reviewed by Overview and Scrutiny Management Commission or associated Task Groups within preceding six months	<input type="checkbox"/>	
Item is Urgent Key Decision	<input type="checkbox"/>	

Executive Summary and Report

1. Introduction

- 1.1 The Council published its draft financial statements in late June 2011 following sign off from the council's Head of Finance and s151 officer. 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 30th September.
- 1.2 KPMG audited WBC accounts during July and early August, as well as completing interim work during the Spring. It is the result of this work that is included in their report.
- 1.3 The attached report at appendix B is KPMG's full governance report for this committee in respect of the audit of the 2010-11 financial statements.
- 1.4 The key aspect of the report is that KPMG will issue an unqualified opinion, that the adjustments identified during the audit have been amended in the financial statements and that the quality of the accounts and audit working papers have improved on the previous year.
- 1.5 KPMG looked at three specific areas of key audit risk:
 - (1) IFRS conversion
 - (2) The impact of staffing changes on provisions
 - (3) Valuation of Council assets.
- 1.6 In all the areas above KPMG did not identify any significant accounting issues and noted that the Council had performed strongly on its conversion to IFRS.
- 1.7 KPMG have raised three specific recommendations, and these are detailed in their report. One of these is a priority two, and the other two are priority three. KPMG have also highlighted some adjustments to be made which the Council has completed.

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 to.

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.

Appendices

Appendix A – Equality Impact Assessment
Appendix B – KPMG full governance report

APPENDIX A

Equality Impact Assessment – Stage One

Name of item being assessed:	KPMG report
Version and release date of item (if applicable):	
Owner of item being assessed:	KPMG
Name of assessor:	Joseph Holmes
Date of assessment:	25.8.2011

1. What are the main aims of the item?
To report to members KPMG's opinion on the financial statements

2. Note which groups may be affected by the item, consider how they may be affected and what sources of information have been used to determine this. (Please demonstrate consideration of all strands – Age, Disability, Gender, Race, Religion or Belief and Sexual Orientation.)		
Group Affected	What might be the effect?	Information to support this.
Further comments relating to the item:		

3. Result (please tick by double-clicking on relevant box and click on 'checked')	
X	No Relevance - This does not need to undergo a Stage 2 Equality Impact Assessment

For items requiring a Stage 2 equality impact assessment, begin the planning of this now, referring to the equality impact assessment guidance and Stage 2 template.

4. Identify next steps as appropriate:	
Stage Two required	
Owner of Stage Two assessment:	
Timescale for Stage Two assessment:	
Stage Two not required:	

Name:

Date: