



# Doncaster Council

## Report

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**Date: 5<sup>th</sup> April 2018**

**To the Chair and Members of the  
AUDIT COMMITTEE**

### **KPMG -INTERIM AUDIT UPDATE AND TECHNICAL AUDIT REPORT**

#### **EXECUTIVE SUMMARY**

1. The external auditor KPMG have provided the audit committee with a high level overview on the progress in delivering their responsibilities as our external auditors against the audit plan. KPMG have identified a further significant risk during the year in relation to the overstatement of the fixed asset values in the balance sheet.
2. Further details on this are provided in the Progress Report and Technical Update.

#### **EXEMPT REPORT**

3. Not applicable.

#### **RECOMMENDATIONS**

4. The Audit Committee is asked to consider the report.

#### **WHAT DOES THIS MEAN FOR THE CITIZENS OF DONCASTER?**

5. These arrangements will contribute towards the Council receiving an unqualified opinion on their 2017/18 accounts and secure good governance and value for money in its use of resources.

#### **BACKGROUND**

6. The External Audit Plan covers how the audit is performed in terms of the risks identified, key deliverables, timeline and fees for the audit.
7. KPMG are required to satisfy themselves that the Council's accounts comply with statutory requirements and that proper practices have been observed in their compilation. The statutory responsibilities and powers are set out in the

8. The Code of Audit Practice covers two main responsibilities requiring KPMG to review and report on the Council's: -
  - a. Financial statements (including the Annual Governance Statement) providing an opinion on the Council's accounts; and
  - b. Use of Resources, concluding on the arrangements in place for securing economy, efficiency and effectiveness in the Council's use of resources (the 'value for money' or VfM conclusion).
9. KPMG have identified a further significant risk in relation to the overstatement of fixed assets values in the Balance sheet.
10. Further details of this risk are provided on page 6 of the Progress Report and Technical Update.

## OPTIONS CONSIDERED

11. Not applicable.

## REASONS FOR RECOMMENDED OPTION

12. Not applicable.

## IMPACT ON THE COUNCIL'S KEY OUTCOMES

13. These are detailed in the table below: -

	Outcomes	Implications
	<p><b>Doncaster Working:</b> Our vision is for more people to be able to pursue their ambitions through work that gives them and Doncaster a brighter and prosperous future;</p> <ul style="list-style-type: none"> <li>• Better access to good fulfilling work</li> <li>• Doncaster businesses are supported to flourish</li> <li>• Inward Investment</li> </ul>	<p>The audited Statement of Accounts provides information on all Council priorities incorporating income and expenditure for all Council services.</p> <p>An unqualified audit opinion from KPMG on the financial statements and supporting disclosure notes, together with an unqualified VfM conclusion assists with the positive reputation of the Council and ensures that strong governance is in place.</p>
	<p><b>Doncaster Living:</b> Our vision is for Doncaster's people to live in a borough that is vibrant and full of opportunity, where people enjoy spending time;</p> <ul style="list-style-type: none"> <li>• The town centres are the beating heart of Doncaster</li> <li>• More people can live in a good quality, affordable home</li> <li>• Healthy and Vibrant Communities through Physical Activity and Sport</li> <li>• Everyone takes responsibility for keeping Doncaster Clean</li> <li>• Building on our cultural, artistic and sporting heritage</li> </ul>	

	<p><b>Doncaster Learning:</b> Our vision is for learning that prepares all children, young people and adults for a life that is fulfilling;</p> <ul style="list-style-type: none"> <li>• Every child has life-changing learning experiences within and beyond school</li> <li>• Many more great teachers work in Doncaster Schools that are good or better</li> <li>• Learning in Doncaster prepares young people for the world of work</li> </ul>	
	<p><b>Doncaster Caring:</b> Our vision is for a borough that cares together for its most vulnerable residents;</p> <ul style="list-style-type: none"> <li>• Children have the best start in life</li> <li>• Vulnerable families and individuals have support from someone they trust</li> <li>• Older people can live well and independently in their own homes</li> </ul>	
	<p><b>Connected Council:</b></p> <ul style="list-style-type: none"> <li>• A modern, efficient and flexible workforce</li> <li>• Modern, accessible customer interactions</li> <li>• Operating within our resources and delivering value for money</li> <li>• A co-ordinated, whole person, whole life focus on the needs and aspirations of residents</li> <li>• Building community resilience and self-reliance by connecting community assets and strengths</li> <li>• Working with our partners and residents to provide effective leadership and governance</li> </ul>	

## **RISKS AND ASSUMPTIONS**

14. KPMG need to be confident that the information in the accounts is accurate and reliable otherwise they may not be able to give an unqualified opinion on the accounts.

## **LEGAL IMPLICATIONS [Officer Initials SRF Date 14/3/18]**

15. The Council is subject to statutory external audit and performance evaluation by KPMG in their role as the external auditor for the Council.
16. The Council must comply with the CIPFA's Code of Practice on Local Authority Accounting (the 'Code') when preparing the accounts.
17. The accounts and audit regulations 2011 (and the 2015 regulations) and the Local Audit and Accountability Act 2014 specify the deadlines for signing and producing the accounts and when they will be available for public inspection.

## **FINANCIAL IMPLICATIONS [Officer Initials...RS...Date...14.03.18]**

18. There is no change in the proposed fee for the audit work for 2017/18 and is £164,844, which is the same fee as 2016/17.

**HUMAN RESOURCES IMPLICATIONS [Officer Initials...KG...Date 15/3/18]**

19. There are no specific HR implications in relation to the contents of this report.

**TECHNOLOGY IMPLICATIONS [Officer Initials...PW...Date 15/3/18]**

20. There are no technology implications in relation to this report.

**HEALTH IMPLICATIONS [Officer Initials...RS...Date 14/3/18]**

21. Effective audit and governance should contribute to improved health and wellbeing by maximising the effectiveness of public spending.

**EQUALITY IMPLICATIONS [Officer Initials...KK...Date...14.03.18]**

22. This report has no specific equality implications.

**CONSULTATION**

23. Not applicable.

**BACKGROUND PAPERS**

24. None.

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