

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

**KPMG, ANNUAL AUDIT LETTER 2014/15**

**EXECUTIVE SUMMARY**

1. This report refers to KPMG's Annual Audit Letter for 2014/15, which is attached to this report and is presented to the Audit Committee for its consideration and comment.
2. The Annual Audit Letter signifies the formal sign off of the audit to the Audit Committee. In signing-off the audit, the letter confirms the external auditor:
  - issued an unqualified opinion on the Council's core financial statements and associated disclosure notes included in the Council's 2014/15 Statement of Accounts;
  - concluded that the Council made appropriate arrangements to secure financial resilience and economy, efficiency and effectiveness in the use of its resources; and
  - issued an audit certificate to demonstrate that the full requirements of both the Audit Commission's Code of Audit Practice and the Audit Commission Act 1998 have been discharged for the year.

**RECOMMENDATION**

3. **The Audit Committee is asked:**
  - a) **To note the contents of Annual Audit Letter; and**
  - b) **To note the overall significant and positive progress made by the Council.**

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

4. An unqualified audit opinion on the Council's financial statements indicates that there are excellent internal controls in place safeguarding Council resources. A good Value for Money conclusion indicates that the Council has proper arrangements in place to secure financial resilience and economy, efficiency and effectiveness in the use of its resources adding value to the Council in managing its finances and assisting in improving services provided to the citizens of the Borough.

## BACKGROUND

5. Members of the Committee should note that the Council has made further improvements in the timeliness, accuracy and quality of the final accounts work and supporting papers over the last five years. There has this year, once again, been a significant improvement in standards and performance in producing and publishing the audited Statement of Accounts with the draft accounts being authorised for issue on 23<sup>rd</sup> June and the audited accounts being presented to this Committee on 16<sup>th</sup> September.
6. The 2014/15 Statement of Accounts received an unqualified audit opinion on 28<sup>th</sup> September with the audit certificate being issued on 1<sup>st</sup> October. This means that audit have concluded that the financial statements give a true and fair view of the financial position of the Council and of its expenditure and income for the year. The audit identified just one material misstatement which was presentational in nature.
7. The Council also received a clean Value for Money conclusion. The assessment recognises the significant progress that the Council has made in the last few years.
8. There are no high priority recommendations resulting from the 2014/15 audit work.

## OPTIONS CONSIDERED AND REASONS FOR RECOMMENDED OPTION

9. This is not applicable.

## IMPACT ON THE COUNCIL'S KEY PRIORITIES

- 10.

Outcomes	Implications
<p>All people in Doncaster benefit from a thriving and resilient economy.</p> <ul style="list-style-type: none"> <li>• Mayoral Priority: Creating Jobs and Housing</li> <li>• Mayoral Priority: Be a strong voice for our veterans</li> <li>• Mayoral Priority: Protecting Doncaster's vital services</li> </ul> <p>People live safe, healthy, active and independent lives.</p> <ul style="list-style-type: none"> <li>• Mayoral Priority: Safeguarding our Communities</li> <li>• Mayoral Priority: Bringing down the cost of living</li> </ul> <p>People in Doncaster benefit from a high quality built and natural environment.</p> <ul style="list-style-type: none"> <li>• Mayoral Priority: Creating Jobs and Housing</li> </ul>	<p>The external audit assessment shows that the Council has proper arrangements in place to secure economy, efficiency and effectiveness in the use of its resources assisting in improving services provided to citizens of the borough.</p>

<ul style="list-style-type: none"> <li>• Mayoral Priority: Safeguarding our Communities</li> <li>• Mayoral Priority: Bringing down the cost of living</li> </ul> <p>All families thrive.</p> <ul style="list-style-type: none"> <li>• Mayoral Priority: Protecting Doncaster's vital services</li> </ul> <p>Council services are modern and value for money.</p> <p>Working with our partners we will provide strong leadership and governance.</p>	
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## **RISKS & ASSUMPTIONS**

11. The Annual Audit Letter is reporting on the management of risks by the Council. It is important that effective action is taken in response to any matters raised by the external auditor following their audit so as to assure the Committee about effective risk management across the Council. Consideration of this letter from KPMG is a risk management activity.

## **LEGAL IMPLICATIONS**

12. The Council is subject to statutory external audit. It has obligations to ensure that it's financial and governance affairs are dealt with adequately and in an appropriate manner.

## **FINANCIAL IMPLICATIONS**

13. The final fee for the 2014/15 audit was £219,792. This was in accordance with the planned fee. There is additional work which falls outside of the Public Sector Audit Appointments Limited ('PSAA'):
- Teachers' Pension grant claim £3,250
  - Teacher Training grant return £3,500
  - Homes & Community Agency Backlog Funding grant claim £1,600
14. The audit fees were within budget for the year.

## **HUMAN RESOURCE IMPLICATIONS**

15. Not applicable

## **EQUALITY IMPLICATIONS**

16. Not applicable

## **CONSULTATION**

17. Not applicable

## **BACKGROUND PAPERS**

18. 2014/15 Statement of Accounts  
2014/15 Annual Governance Statement  
2014/15 ISA 260 Report (To Those Charged With Governance)

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