

**NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL**

**AUDIT AND GOVERNANCE COMMITTEE – 24 SEPTEMBER 2014**

Title of report	<b>REPORT TO THOSE CHARGED WITH GOVERNANCE 2013/14</b>
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Purpose of report	To consider the External Auditor's Report to Those Charged With Governance for 2013-14.
Reason for Decision	In order to approve the Letter of Representation in relation to the 2013-14 Statement of Accounts.
Council Priorities	Value for Money
Implications:	
Financial/Staff	No direct implications.
Link to relevant CAT	None
Risk Management	The Council's governance arrangements are a fundamental part of the Authority's management of risk and contribute towards good corporate governance.
Equalities Impact Assessment	Not applicable
Human Rights	None identified.
Transformational Government	No direct implications.
Consultees	None
Background papers	None
Recommendations	<p><b>THAT THE COMMITTEE:</b></p> <p><b>(A) NOTES THE CONTENTS OF THE EXTERNAL AUDITOR'S REPORT ATTACHED AT APPENDIX A.</b></p> <p><b>(B) APPROVES THE LETTER OF REPRESENTATION ATTACHED AT APPENDIX B.</b></p> <p><b>(C) NOTES THE EXTERNAL AUDITOR'S ONE RECOMMENDATION AND MANAGEMENT COMMENTS SET OUT IN APPENDIX 1 TO THEIR REPORT.</b></p>

## **1.0 BACKGROUND**

- 1.1 The annual accounts of the authority are audited in accordance with Part II of the Audit Commission Act 1998 and, as part of that process; the External Auditor (KPMG) produces an Annual Report to Those Charged With Governance which is attached. The Director from KPMG will present his report to the Committee.
- 1.2 The Report states that the auditors will issue an unqualified audit report and that there are no important weaknesses in internal control. It also confirms that there are proper arrangements to secure value for money.
- 1.3 There is only one recommendation, concerning the clarity of some of the working papers, and the Council is confident of addressing this fully in time for the production of the 2014/15 Statement of Accounts. This is set out in Appendix 1 to the auditor's report along with the formal Management Response.
- 1.4 There were two audit recommendations last year and these were fully implemented:
  - 1.4.1 Officers worked closely with elected members to ensure they were in a position to submit their Related Party Transaction returns on time. There was a 100% return for 2013/14, a clear improvement of last year when three members did not make their returns.
  - 1.4.2 The ICT Strategy was refreshed during 2013/14. The strategy outlines technical strategy, commercial (procurement & vendor management) strategy and staffing over the period 2013/14 to 2017/18.
- 1.5 Appendix 2 sets out "Audit Differences". These are changes to the accounts which have been necessary as a result of the audit findings. These changes have already been incorporated in the Statement of Accounts being presented to this committee.
- 1.6 There is one unadjusted audit difference which is set out on page 16 of the auditors' report. The auditors have advised us not to correct this as there is uncertainty over its treatment. This impacts on debtor and creditor balances only and the auditors are satisfied that this is not a material matter.