



City of Westminster

Audit and Performance Committee Report

Meeting:	Audit and Performance Committee
Date:	21 st November 2012
Classification:	General Release
Title:	2011/12 Annual Audit Letter
Wards Affected:	All
Financial Summary:	No financial implications
Report of:	Deputy Director, Corporate Finance

1. Executive Summary

The Annual Audit Letter provides the Audit Commission's assessment of the Council's financial statements and its arrangements to secure value for money in its use of resources. The Letter is attached in **Appendix 1**.

An unqualified audit opinion has been issued on the 2011/12 Financial Statements of the Council and its Pension Fund.

As two objections from a local elector remain to be decided the certificates closing the audits for financial years 2008/09, 2009/10, 2010/11 and 2011/12 have not yet been issued. The Council and the newly appointed auditor KPMG will be meeting over the coming weeks to discuss these issues with a view to resolve and to close the audits as soon as is possible.

The actions identified in the 2010/11 Annual Audit Letter have been fully addressed; in the 2011/12 Annual Audit Letter the Audit Commission has not identified any further actions to be taken by the Council.

2. Recommendations

That the Committee considers the Annual Audit Letter attached as **Appendix 1**.

3. Background, including Policy Context

Challenges

The Audit Commission have not issued a certificate closing the audits from 2008/09 onwards; this is due to the ongoing consideration of a number of issues raised by members of the public. In recent months the District Auditor has focussed on five objections of which three have not been upheld. Unfortunately one of the two objections still in progress dates to 2008/09 and therefore has a potential impact upon subsequent years which cannot be closed until this issue is resolved.

The District Auditor notes that he has received a number of further objections to the 2009/09, 2009/10, 2010/11 and 2011/12 financial statements which due to the transfer of audit activity from the Audit Commission to KPMG fall to the latter to consider.

Recommendations

In its 2010/11 Annual Audit Letter the Audit Commission identified a number of recommendations:

- Improve the arrangements for the preparation of the Annual Financial Statements, including the provision of comprehensive supporting working papers, timely response to audit queries and the efficient delivery of the final, amended version of the financial statements.
- Monitor the delivery of the agreed actions in response to the recommendations contained in the 2010/11 Annual Governance Report.
- Maintain focus on delivering (and where possible, improving) the forecast 2011/12 outturn.
- Continue to prioritise the development of robust plans to secure and deliver the 2012/13 Budget.
- Develop financial plans for the medium-to-longer term, restoring Reserves to at or above the minimum level approved by Members.

The Committee has been made aware throughout the year of the actions which have been taken to successfully implement these recommendations.

4. Financial Implications

There are no financial implications for the Council arising from this report.

5. Legal Implications

There are no legal implications for the Council arising from this report.

6. Consultation

This document will be on public deposit. No formal consultation is required.

**If you have any queries about this Report or wish to inspect any of the
Background Papers please contact:**

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APPENDIX 1

**AUDIT COMMISSION
ANNUAL AUDIT LETTER 2011/12**