



City of Westminster

# Audit and Performance Committee Report

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| <b>Meeting:</b>           | Audit and Performance Committee  |
| <b>Date:</b>              | 23 <sup>rd</sup> April 2013  |
| <b>Classification:</b>    | General Release  |
| <b>Title:</b>             | KPMG Audit Plan for the Council's Financial Statements and the Pension Fund for the financial year 2012/13   |
| <b>Wards Affected:</b>    | All  |
| <b>Financial Summary:</b> | Outlines the approach to be taken by KPMG to auditing the Council's Financial Statements and the Pension Fund for the financial year 2012/13.                        |
| <b>Report of:</b>         | Anna D'Alessandro, Deputy Director, Corporate Finance.   |
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## 1. Executive Summary

The external audit plan attached as **Appendix 1** outlines the work that KPMG propose to undertake for the audit of the Council's Financial Statements and the Pension Fund for the financial year 2012/13. The plans are based upon KPMG's risk based approach to audit planning. They reflect:

- The statutory requirements and proper practices with which the accounts are required to comply;
- A number of key areas of focus which are relevant to the Council's and the Pension Fund's local circumstances; and

- The Council's and the Pension Fund's local risks.

## 2. Recommendations

That the Committee considers and understands the basis on which KPMG will be undertaking their audit of the Council's Financial Statements and the Pension Fund for the financial year 2012/13.

## 3. Reasons for Decision

These reports set out the audit framework and approach to be adopted by KPMG for their audit of the Council's Financial Statements and the Pension Fund for the financial year 2012/13.

## 4. Background, including Policy Context

### 2012/13 Audit Plans

- 4.1. The Audit Plan outlines the work that KPMG proposes to undertake for the audit of the Council's Financial Statements and the Pension Fund for the financial year 2012/13. The report is split into the following key sections:
- 4.2. **Introduction.** This section sets out the scope, responsibilities and structure of the report.
- 4.3. **Headlines.** This section identifies the key areas of focus for the audit of the Financial Statements, the Pension Fund as well as for the value for money conclusion.
- 4.4. **Our audit approach.** This section identifies the key stages of the audit process namely planning, control evaluation, substantive procedures and completion.
- 4.5. **Value For Money (VFM) audit approach.** This section identifies the approach to VFM work which follows the guidance provided by the Audit Commission.
- 4.6. **The Audit Team.** The KPMG personnel who will be responsible for the audit of the 2012/13 Financial Statements and Pension Fund.
- 4.7. **Audit Deliverables.** This section identifies the key deliverables which KPMG are to deliver and the related timescales.
- 4.8. **Audit timeline.** This section highlights the audit timeline leading to the issuing of the audit opinion by 30<sup>th</sup> September 2013.

4.9. **Audit Fee.** These fees are as proposed by KPMG's Audit Fee letter of August 2012 and are: £245,025 for the audit of the Council's Financial Statements and £21,000 for the Audit of the Pension Fund. A total of £266,025.

**5. Financial Implications**

There are no direct financial obligations arising from this report.

**6. Legal Implications**

There are no direct legal obligations arising from this report.

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

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**BACKGROUND PAPERS**

External Audit Plan 2012/13 – KPMG, March 2013