



City of Westminster

Audit and Performance Committee Report

Meeting: Audit and Performance Committee

Date: 2 December 2015

Classification: General Release

Title: Annual Audit Letter 2014/15 from external auditors
KPMG

Wards Affected: All

Financial Summary: N/A

Report of: Steven Mair, City Treasurer and Section 151 Officer.

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1. Executive Summary

1. The Council's external auditors KPMG have issued their Annual Audit Letter in which they report to the Committee their key findings from their audit of the Council's financial statements (Council & Pension Fund) for the year ended 31st March 2015.
2. During the audit cycle KPMG issued status reports to the Committee on their findings. The ISA 260 report which was issued to the Committee on the 18th May 2015 included both an unqualified opinion and an unqualified value for money conclusion. This was the earliest set of local government body accounts for 75 years, exceeded the performance of 83% of the FTSE 100 and greatly improved the quality of the accounts. The Annual Audit Letter is consistent with what has been previously reported i.e. no new issues are brought to the attention of the Committee.
3. In relation to the Council's financial statements, the Audit Letter reports:

- a. An unqualified value for money conclusion;
 - b. An unqualified opinion on the Council's financial statements;
 - c. That the audit identified seven audit adjustments other than trivial adjustments;
 - d. One recommendation already reported in the ISA 260 report, management has instigated actions on these recommendations;
 - e. That KPMG have reviewed the Annual Governance Statement and concluded that it is consistent with their understanding;
 - f. There are no recommendations relating to the Pension Fund;
 - g. That the Whole of Government Accounts Pack prepared by the Council is consistent with the audited financial statements.
 - h. The improved quality of the accounts compared to the previous year
4. As the auditors are still considering objections raised by members of the public they have not yet been able to issue a certificate closing the audits from 2008/9 onwards. Senior Officers of the Council are actively working with KPMG and the Council's new auditors Grant Thornton to bring these objections to a conclusion over the next few months.
 5. Following on from the national changes made by the Audit Committee, the planned audit fee for 2013/14 was £275,526, an increase of £9,501 over the estimate due to technical and logistical matters during the audit.

2. Recommendations

1. That the Committee consider the Annual Audit Letter 2014/15.
2. That the status of the objections is noted.

3. Reasons for Decision

No decision is required.

4. Background, including Policy Context

- 4.1 The final, audited statement of accounts of the Council and the Pension Fund for the year ended 31st March 2015 were previously presented to the 18th May 2015 meeting for the Committee's consideration.

5. Financial Implications

The audit fee incurred is budgeted for

6. Legal Implications

None

**If you have any queries about this Report or wish to inspect any of the
Background Papers please contact:**
Daniel Peattie at dpeatie@westminster.gov.uk or 0207 641 2279

BACKGROUND PAPERS

1. Annual Audit Letter 2014/15, City of Westminster Council.