

ROTHERHAM METROPOLITAN BOROUGH COUNCIL
REPORT TO AUDIT COMMITTEE

1. Meeting:	Audit Committee
2. Date:	7th December 2011
3. Title:	Annual Audit Letter 2010/11
4. Directorate:	Resources

5. Summary

The Annual Audit Letter (AAL) 2010/11 summarises the external audit work in relation to the 2010/11 audit plan and highlights the findings in relation to the following:

- Audit of accounts 2010/11
- Value For money Conclusion
- Other Reviews completed.

A copy of their AAL is attached to this report.

6. Recommendation

Audit Committee notes the sustained, very positive Annual Audit Letter (AAL) presented to the Council by its external auditors, KPMG LLP.

7. Proposals and details

The Annual Audit Letter (AAL) 2010/11 is KPMG's summary of audit work for the 2010/11 year.

This year's AAL highlights the work completed in relation to the audit plan and the presentation of **all** external audit recommendations previously reported through to Management and/or Members. We have confirmed with KPMG that there is no recommendation that they consider to be significant and of such priority that Management needs to draw it to Members attention. Such confirmation is a reflection of the **very positive** audit assessment for the 2010/11 year. It also shows the Council's Financial Services function (part of the Council's Resources Directorate) to be in a strong position to proactively support the Council in meeting the significant financial challenges facing the local government sector.

In summary the main headlines from the AAL are:

- The Council's Accounts were given an **Unqualified audit opinion** and officers received significant praise from KPMG LLP with regard to their **proactive approach, dedication and commitment** to restating our Financial Statements in response to the International Financial Reporting Standards; and
- The Council had put in place proper arrangements for securing financial resilience and challenging how it secures economy, efficiency and effectiveness in the use of its finite resources.

8. Financial Implications

There are no financial implications resulting from this report.

9. Risks and Uncertainties

Failure to continue to maintain robust financial management and internal control arrangements could lead to less positive conclusions being reached by KPMG LLP in its 2011/12 Annual Audit Letter.

KPMG LLP, in its 2011/12 audit plan have highlighted their intention to focus on continuing to assess the Council's financial resilience and how it is prioritising resources within tighter budgets.

10. Policy and Performance Agenda Implications

The Council's ability to deliver robust financial management and internal control arrangements will continue to be assessed as part of the 2011/12 external audit work.

11. Background Papers and Consultation

KPMG Annual Audit Letter 2010/11

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