

ROTHERHAM BOROUGH COUNCIL – REPORT TO MEMBERS

1.	Meeting:	Audit Committee
2.	Date:	23rd July 2014
3.	Title:	KPMG Interim Audit 2013/14
4.	Directorate:	Resources

5. Summary

This report refers to the outcomes from KPMG's 2013/14 planning and interim audit work.

The outcome is a **very positive one**.

They have concluded that there are no significant matters that need to be reported to Audit Committee based on the work carried out, and, as a consequence, do not consider it necessary to issue a formal report. They have instead issued a letter summarising audit progress (attached as Appendix A).

6. Recommendations

The Audit Committee is asked to endorse the positive findings presented in KPMG's interim audit letter.

7. Proposals

KPMG's 2013/14 External Audit Plan sets out the scope of the work to be carried out at the planning and interim audit stages of their audit.

The planning work includes a review of the Council's overall control environment

The interim audit included:

- Evaluating and testing controls over the Council's key financial systems
- A review of the work of the Council's internal audit function in relation to these controls
- A review of the accounts production process, and
- A review of progress on areas of particular audit focus identified in KPMG's 2013/14 External Audit Plan

The areas of particular audit focus referred to in the External Audit Plan are:

- The estimated costs associated with the orderly and managed closure of Digital Region Ltd
- The transition to the new general ledger structure in July 2013
- The data and assumptions underpinning the Pension valuation carried out at 31 March 2014 for accounts purposes

The outcomes from the planning and interim audit work are summarised in the letter attached at **Appendix A**.

The overall conclusion is **a very positive one** in that the audit has gone smoothly and no significant issues have been identified that need to be reported to Audit Committee.

8. Finance

There are no financial implications from this report.

9. Risks and Uncertainties

Effective controls are key to ensuring that financial information can be relied upon for decision making and reporting purposes. Ineffective controls increases the risk of error and potential loss and could impact adversely on the Council's reputation.

10. Policy and Performance Agenda Implications

Maintaining a good control framework contributes to good governance.

11. Background Papers and Consultation

KPMG's 2013/14 Interim audit Letter – Appendix A
KPMG's 2013/14 External Audit Plan

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