



Leicester  
City Council

**WARDS AFFECTED:  
ALL WARDS (CORPORATE ISSUE)**

**AUDIT & RISK COMMITTEE**

**27<sup>th</sup> September 2016**

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**External Auditor's Report to Those Charged With Governance**

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**REPORT OF THE EXTERNAL AUDITOR**

**1. INTRODUCTION**

- 1.1. This report sets out what officers from KPMG, the External Auditor, will provide to the Audit & Risk Committee at the meeting of 27<sup>th</sup> September 2016. These reports are not presently available pending completion of final audit work.
- 1.2. Officers from KPMG will present a report to summarise:
  - 1.2.1. The key findings arising from the audit of Leicester City Council's financial statements for the year ended 31st March 2016;
  - 1.2.2. The Auditor's assessment of the Council's arrangements to secure value for money (VFM) in its use of resources; and
  - 1.2.3. The requirement for Members to authorise the Director of Finance to sign the letter of representation to KPMG from the Council in connection with the audit of the Council's financial statements.
- 1.3. This report is known as the ISA 260 Report to Those Charged with Governance.

**2. CONTENT OF THE ISA 260 REPORT**

- 2.1. The report will include:
  - 2.1.1. Proposed audit opinion - KPMG expect to give an unqualified audit opinion on the accounts
  - 2.1.2. Audit adjustments - details of any material adjustments made to the accounts
  - 2.1.3. Key financial statements audit risks – at this stage KPMG do not have any significant matters to report to members

2.1.4. Accounts production and audit process – KPMG will give brief comments on the process

2.1.5. VFM conclusion and risk areas – KPMG will set out their findings in respect of:

- The implementation of OFSTED’s recommendations following their review of children’s services; and
- Financial resilience

2.2. Whilst acknowledging the ongoing response to the OFSTED inspection of Children’s services in March 2015, KPMG expect to conclude that the Authority has made proper arrangements to secure economy, efficiency and effectiveness in its use of resources except for arrangements regarding children's services.

2.3. Completion – KPMG will set out any areas of audit work that are not yet complete; they will give members an update when they present the report on 27 September.

### **3. FINANCIAL IMPLICATIONS**

3.1. The report is exclusively concerned with financial issues.

### **4. LEGAL IMPLICATIONS**

4.1. The timetable and the arrangements for the reporting of the Council’s statement of accounts are governed by statute. These statutory requirements have been complied with.

### **5. OTHER IMPLICATIONS**

| <b><u>OTHER IMPLICATIONS</u></b>     | <b><u>YES/NO</u></b> | <b><u>PARAGRAPH REFERRED</u></b> |
|--------------------------------------|----------------------|----------------------------------|
| Equal Opportunities                  | No                   |                                  |
| Policy                               | No                   |                                  |
| Sustainable and Environmental        | No                   |                                  |
| Crime and Disorder                   | No                   |                                  |
| Human Rights / People on low incomes | No                   |                                  |
| Corporate Parenting                  | No                   |                                  |
| Health Inequalities Impact           | No                   |                                  |

### **6. BACKGROUND PAPERS**

External Audit Progress Report presented to Audit & Risk Committee on 3<sup>rd</sup> August 2016

7. **CONSULTATIONS**

Not applicable

8. **AUTHOR**

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