

BOROUGH OF KETTERING

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Report Originator	KPMG	Forward Plan Ref: N/A	
Wards Affected	All	6 th February 2018	
Title	EXTERNAL AUDIT REPORTS		

1. PURPOSE OF REPORT

To present the following two reports from the Council's External Auditors (KPMG);

- a) The Certification and Grants letter that summarises the results of the external audit work carried out by KPMG on the certification of the Council's 2016/17 grants claims and returns;
- b) The 2017/18 Financial Statements Audit Plan, which details the work KPMG intend to carry out with regard to the Council's 2017/18 Statement of Accounts.

The reports have been prepared by the Council's external auditor and a representative from KPMG will be at the meeting to present these reports and answer Members' questions.

2. CERTIFICATION AND GRANTS REPORT (a)

- 2.1 Each year the Council's external auditor is required to audit and certify several grant returns that the authority must complete during the financial year.
- 2.2 The attached Certification and Grants Report at **Appendix A** details for Members' information KPMG's findings for each grant claim where external certification is required.

3. FINANCIAL STATEMENTS AUDIT PLAN (b)

- 3.1 Each year the Council's external auditor provides details of the approach they wish to adopt with regard to the audit of the Council's Statement of Accounts and the Value for Money (VFM) arrangements.
- 3.2 The Local Audit and Accountability Act 2014 requires auditors of local government bodies to be satisfied that the authority 'has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. This is supported by the Code of Audit Practice, published by the National Audit Office (NAO) in April 2015, which requires auditors to 'take into account their knowledge of the relevant local sector as a whole, and the audited body specifically, to identify

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any risks that, in the auditor's judgement, have the potential to cause the auditor to reach an inappropriate conclusion on the audited body's arrangements.' The VFM approach is fundamentally unchanged from that adopted in 2015/2016.

- 3.3 The VFM risk focuses around the wider financial situation within the County across the authorities, and also more nationally, and how these situations have the potential to impact on this Council.
- 3.4 The external auditors will review how the Authority is dealing with both local and national risks. This approach does not mean that the auditors are saying there is a specific financial resilience risk to KBC itself in terms of how we approach things as and Authority, rather that they are looking at the outside risks which we are having to deal with.
- 3.5 The attached Financial Statements Audit Plan at **Appendix B** details for Members' information KPMG's intended approach, together with the key audit risks they have identified, the members of their audit team and details of associated fees.

4. RECOMMENDATION

That the Monitoring & Audit Committee receives and notes:-

- 4.1 The Certification and Grants Report for 2016/17 (a).
- 4.2 The 2017/18 Financial Statements Audit Plan (b).