

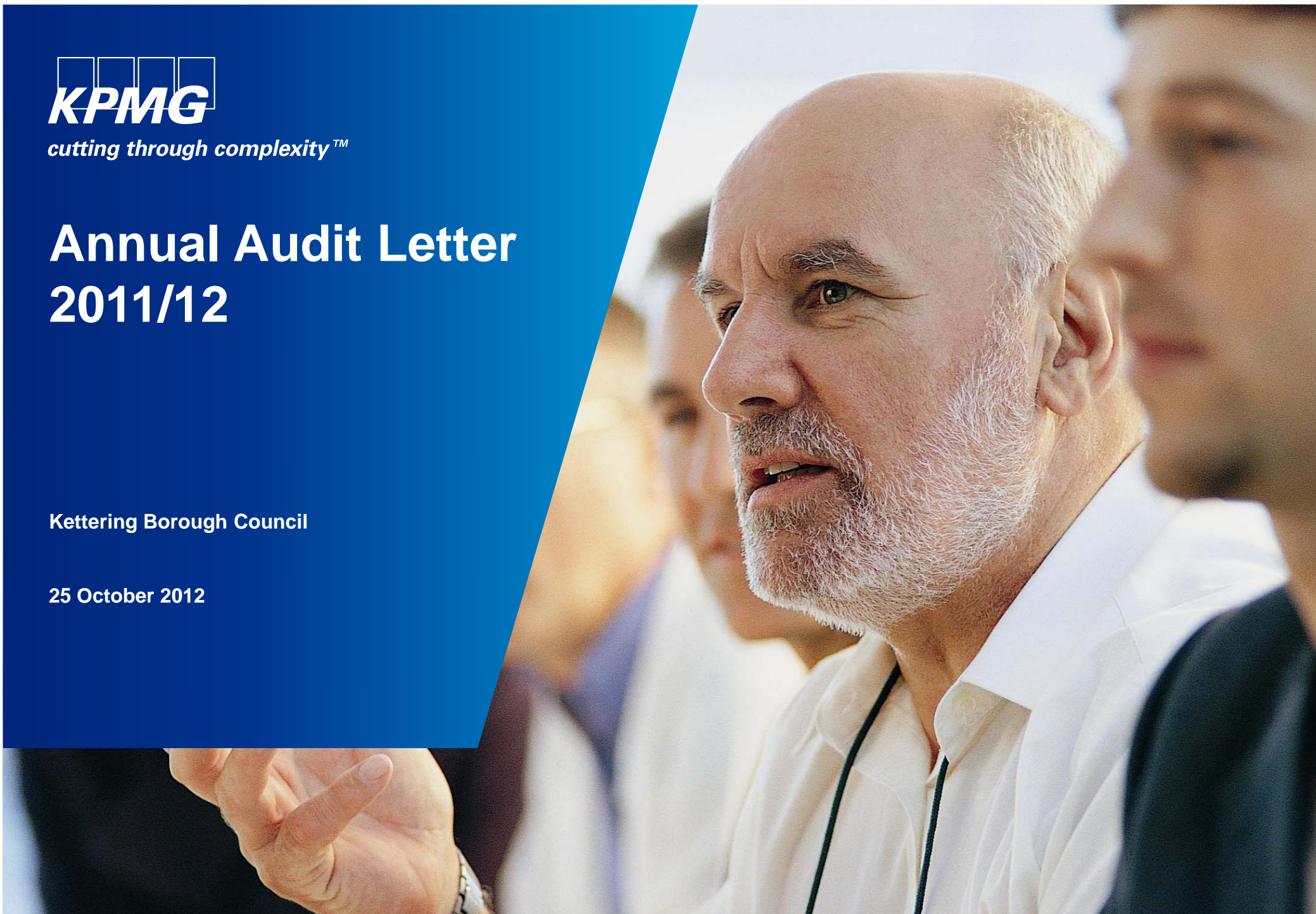


cutting through complexity™

Annual Audit Letter 2011/12

Kettering Borough Council

25 October 2012





Contents

The contacts at KPMG in connection with this report are:

Jon Gorrie

Director

KPMG LLP (UK)

Tel: 0121 232 3645

jonathan.gorrie@kpmg.co.uk

Phillipa Hunt

In-charge Auditor

KPMG LLP (UK)

Tel: 07825 656 252

phillipa.hunt@kpmg.co.uk

Report sections

- Headlines

Page

2

Appendices

1. Summary of reports issued

3

2. Audit fees

4

This report is addressed to the Authority and has been prepared for the sole use of the Authority. We take no responsibility to any member of staff acting in their individual capacities, or to third parties. The Audit Commission has issued a document entitled *Statement of Responsibilities of Auditors and Audited Bodies*. This summarises where the responsibilities of auditors begin and end and what is expected from the audited body. We draw your attention to this document which is available on the Audit Commission's website at www.auditcommission.gov.uk.

External auditors do not act as a substitute for the audited body's own responsibility for putting in place proper arrangements to ensure that public business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively.

If you have any concerns or are dissatisfied with any part of KPMG's work, in the first instance you should contact Jon Gorrie, the appointed engagement lead to the Authority, who will try to resolve your complaint. If you are dissatisfied with your response please contact Trevor Rees on 0161 246 4000, or by email to trevor.rees@kpmg.co.uk, who is the national contact partner for all of KPMG's work with the Audit Commission. After this, if you are still dissatisfied with how your complaint has been handled you can access the Audit Commission's complaints procedure. Put your complaint in writing to the Complaints Unit Manager, Audit Commission, Westward House, Lime Kiln Close, Stoke Gifford, Bristol, BS34 8SR or by email to complaints@audit-commission.gov.uk. Their telephone number is 0844 798 3131, textphone (minicom) 020 7630 0421.



Section one Headlines

This report summarises the key findings from our 2011/12 audit of Kettering Borough Council (the Authority).

Although this letter is addressed to the Members of the Authority, it is also intended to communicate these issues to key external stakeholders, including members of the public.

Our audit covers the audit of the Authority's 2011/12 financial statements and the 2011/12 VFM conclusion.

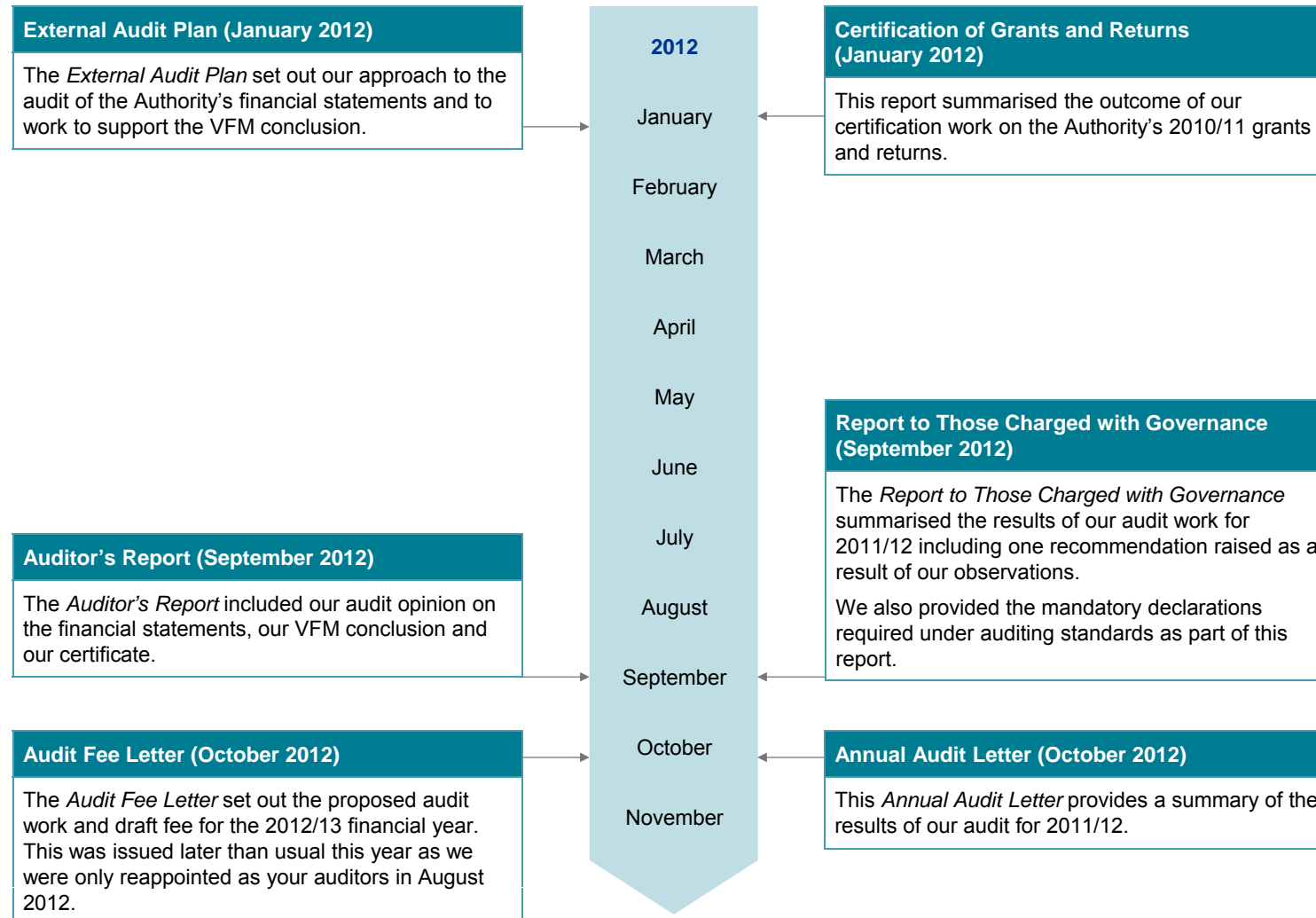
VFM conclusion	<p>We issued an unqualified value for money ('VFM') conclusion for 2011/12 on 27 September 2012.</p> <p>This means we are satisfied that you have proper arrangements for securing financial resilience and challenging how you secure economy, efficiency and effectiveness.</p> <p>To arrive at our conclusion we looked at your financial governance, financial planning and financial control processes, as well as how you are prioritising resources and improving efficiency and productivity.</p>
Audit opinion	<p>We issued an unqualified opinion on your financial statements on 27 September 2012. This means that we believe the financial statements give a true and fair view of the financial position of the Authority and of its expenditure and income for the year.</p>
Financial statements audit	<p>We worked closely with Officers throughout the year to discuss specific risk areas and to highlight and address potential audit and accounting issues. This improved communications process resulted in a marked reduction in audit queries and adjustments. In summary:</p> <ul style="list-style-type: none"> ■ There were no significant adjusted or unadjusted audit differences identified as part of the audit; ■ There are clear lines of responsibility at the Authority which resulted in the delivery of an efficient and robust accounts production; and ■ The Authority had implemented the majority of the recommendations from our <i>ISA 260 Report 2010/11</i> relating to the financial statements.
Annual Governance Statement	<p>We reviewed your <i>Annual Governance Statement</i> and concluded that it was consistent with our understanding.</p>
Whole of Government Accounts	<p>We reviewed the consolidation pack which the Authority prepared to support the production of Whole of Government Accounts by HM Treasury. We reported that the Authority's pack was consistent with the audited financial statements.</p>
Recommendations	<p>We raised no high or medium priority recommendations as a result of our 2011/12 audit work. Other recommendations are contained in the reports we have listed in Appendix 1.</p>
Certificate	<p>We issued our certificate on 27 September 2012.</p> <p>The certificate confirms that we have concluded the audit for 2011/12 in accordance with the requirements of the <i>Audit Commission Act 1998</i> and the Audit Commission's <i>Code of Audit Practice</i>.</p>
Audit fee	<p>Our fee for 2011/12 was £117,800, excluding VAT. Our fee for 2012/13 has been reduced by 40 percent to £70,680, excluding VAT. Further detail is contained in Appendix 2.</p>



Appendices

Appendix 1: Summary of reports issued

This appendix summarises the reports we issued since our last *Annual Audit Letter*.





Appendices

Appendix 2: Audit fees

This appendix provides information on our final fees for 2011/12.

To make sure that there is openness between us and your Monitoring and Audit Committee about the extent of our fee relationship with you, we have summarised below the outturn against the 2011/12 planned external audit fee.

External audit

Our final fee for the 2011/12 audit of Kettering Borough Council was £117,800. This is an overall reduction of £8,200 from the comparative total fee for 2010/11 of £126,000.

Certification of grants and returns

Our grants work is still ongoing and the fee will be confirmed through our report on the *Certification of Grants and Returns 2011/12* which we are due to issue in January 2013.

Other services

We also charged £18,304 for tax services. This work was not related to our responsibilities under the Audit Commission's *Code of Audit Practice*.



© 2012 KPMG LLP, a UK public limited liability partnership, is a subsidiary of KPMG Europe LLP and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative, a Swiss entity. All rights reserved.

The KPMG name, logo and 'cutting through complexity' are registered trademarks or trademarks of KPMG International Cooperative (KPMG International).