

WEST DUNBARTONSHIRE COUNCIL

Report by Executive Director of Corporate Services

Audit and Performance Review Committee : 28 September 2011

Subject : Audit of Final Accounts 2010/11

1. Purpose

- 1.1** To advise Committee of KPMG's findings in relation to the audit of the Financial Statements for 2010/11.

2. Background

- 2.1** In accordance with the International Standard on Auditing 260 (ISA260), auditors are required to communicate matters relating to the audit of the financial statements to those charged with governance of a body in sufficient time to enable appropriate action, if required, to be taken.

3. Main Issues

- 3.1** KPMG have issued a report dated 21 September 2011 which details the main issues arising from the audit of the financial statements. The full report is appended to this report (Appendix A) and Grant Macrae, Director, KPMG LLP, will be in attendance to present the findings of the report.
- 3.2** Appendix 1 of the KPMG report summarises a number of improvement recommendations relating to the accounts production process and these, together with management responses, are included within the action plan on pages 13 and 14 of the report.
- 3.3** A copy of the draft letter of representation which the Executive Director of Corporate Services is required to sign and submit to KPMG is also attached as Appendix B.
- 3.4** The Audit Opinion is detailed on page 2 of the report which advises that KPMG expect to issue an unqualified opinion on the Council's annual financial statements.
- 3.5** The draft (unaudited) financial statements for 2010/11 were sent to Members on 5 August 2011.
- 3.6** A full report on the audited Final Accounts will be presented to Council on 26 October 2011.

4. People Implications

- 4.1** There are no people implications.

5. Financial Implications

- 5.1** Although agreement has been reached during the audit on a number of presentational changes to the draft accounts, the unearmarked balance of £4.771m that was reported in the draft accounts remains unchanged.

6. Risk Analysis

- 6.1** There was no requirement to carry out a risk analysis.

7. Equalities, Health & Human Rights Impact Assessment (EIA)

- 7.1** There was no requirement to carry out an equality impact assessment.

8. Strategic Assessment

- 8.1** The report is for noting and, therefore, does not directly affect any of the strategic priorities.

9. Conclusions and Recommendations

- 9.1** The audit of the financial statements is on track to produce an unqualified audit opinion in relation to the Council's final accounts for 2010/11.
- 9.2** The Committee is invited to note the findings of the audit of the financial statements as detailed in KPMG's report dated 21 September 2011.

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Joyce White
Executive Director of Corporate Services
Date: 21 September 2011

Person to Contact: Gillian McNeilly, Finance Manager, Garshake Road
Telephone (01389) 737194
E-mail: gillian.mcneilly@west-dunbarton.gov.uk

Appendix: Appendix A - KPMG's report on the audit of the financial statements 2010/11

Appendix B - Draft Letter of Representation

Background Papers: Report on Revised Draft Annual Accounts 2010/11

Wards Affected: All