

# **WEST DUNBARTONSHIRE COUNCIL**

## **Report by the Executive Director of Corporate Services**

### **Audit and Performance Review Committee : 10 February 2010**

---

#### **Subject: Audit Plan Overview 2009/10**

#### **1. Purpose**

- 1.1** The purpose of this report is to present KPMG LLP's Audit Plan Overview 2009/10 to Committee for information.

#### **2. Background**

- 2.1** It is common practice for external auditors to produce an Audit Plan Overview for each client each year. KPMG LLP have been appointed as the Council's external auditors for the period 2006/07 to 2010/11 and they submitted their draft plan for 2009/10 to the Council in January 2010. The audit is due to be completed by 31 October 2010.
- 2.2** The audit plan gives an overview of the audit approach and describes the outputs the Council can expect to receive. It also describes the resources that KPMG LLP will employ and their charge for the audit. The complete overview document is appended to this report.

#### **3. Main Issues**

- 3.1** Keith MacPherson, Audit Senior Manager, KPMG LLP, will be in attendance at the Committee and will give a short presentation on the key features of the planned audit approach outlined in the memorandum and also an assessment of the potential risks that have been identified.
- 3.2** The audit approach is detailed on page 4 of the overview document which advises that the audit methodology is based on :
- A strong emphasis on risk assessment
  - An audit aligned to the Council's operational strategies
  - Communication with management at each stage of the audit process
  - A commitment to continuous improvement.
- 3.3** The table on pages 7 and 8 of the overview document details specific risks identified by KPMG in relation to the financial statements.

**3.4** KPMG LLP will seek to rely on the work of the Council's Internal Audit Section in relation to the following

- Value added tax
- Procurement
- Capital contracts
- Partnerships
- Health and Safety
- Insurance
- Cash and Bank
- Accounting systems
- Enterprise Risk Management
- Sustainability
- Civil Emergencies

**3.5** At the end of the audit, KPMG LLP will report to Members on their significant findings. During the course of the audit, extracts of individual audit reports will be submitted to the Audit and Performance Review Committee.

**3.6** A summary of the proposed audit timetable is given on page 16 of the overview document.

**3.7** The fee for the local audit is £217,900 inclusive of VAT. This is a small increase on the 2008/09 charge of £215,000. A fixed charge of £97,500 is added to this sum from Audit Scotland to cover their central charges making the total fee payable £315,400.

**3.8** The local fee quoted above is at the mid point of the indicative scale as a result of KPMG's assessment of the current risks facing the Council.

#### **4. Personnel Issues**

**4.1** There are no personnel issues.

#### **5. Financial Implications**

**5.1** The total fee quoted in paragraph 3.6 can be accommodated within the departmental budgetary provision.

#### **6. Risk Analysis**

**6.1** KPMG's assessment of the risks facing the Council is detailed in the appendix. An additional internal risk assessment was not required.

#### **7. Conclusion.**

**7.1** KPMG LLP's Audit plan overview for 2009/10 is appended to this report. It sets out the audit approach and outputs for the current year's audit. Members can expect to receive extracts of reports that are produced during the year as well as a final overall report.

## **8. Recommendation**

**8.1 It is recommended that Committee note the report and appendix.**

**Joyce White**  
**Executive Director of Corporate Services**  
**Date: 1 February 2010**

---

<b>Wards Affected:</b>	<b>All</b>
<b>Appendix:</b>	<b>KPMG LLP's Audit Planning Memorandum 2009/10</b>
<b>Background Papers:</b>	<b>None</b>
<b>Person to Contact:</b>	<b>David Connell, Head of Finance and ICT</b> <b>Council Offices, Garshake Road, Dumbarton</b> <b>Telephone (01389) 737191</b> <b>E-mail: <a href="mailto:david.connell@west-dunbarton.gov.uk">david.connell@west-dunbarton.gov.uk</a></b>