

REPORT OF SERVICE DIRECTOR - FINANCE AND PROCUREMENT**EXTERNAL AUDIT – ANNUAL GOVERNANCE REPORTS****Purpose of the Report**

1. To receive for information, and comment upon, the External Auditor's Annual Governance Reports on the County Council and Pension Fund, prior to these being forwarded to Full Council for approval on 26 September 2013.

Information and Advice

2. The External Auditors, KPMG, have now substantially completed their audit work on the Authority's financial statements for 2012/13 and propose to issue unqualified audit opinions on the County Council and Pension Funds' accounts, subject to satisfactory clearance of the remaining issues. In the course of their work the External Auditors have identified a number of matters, detailed in the attached reports, which they wish to bring to the Audit Committee and Full Council's attention. The Audit Director (KPMG), Neil Bellamy will be in attendance at the meeting to present the report and to respond to Members' queries.
3. As part of the Audit of Financial Statements process, I am required to prepare a Letter of Representation to the External Auditor and my proposed Letter is attached for Members' agreement.

Statutory and Policy Implications

4. This report has been compiled after consideration of implications in respect of finance, equal opportunities, human resources, crime and disorder, human rights, the safeguarding of children, sustainability and the environment and those using the service and where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required.

RECOMMENDATION/S

5. That Members of the Audit Committee note the External Auditor's Annual Governance Reports on the County Council and Pension Fund accounts:
 - a) note the matters raised in the report before the financial statements are resigned by the Section 151 Officer

- b) note the Letter of Representation attached to this report

Paul Simpson
Service Director (Finance and Procurement)

For any enquiries about this report please contact:
Nigel Stevenson

Constitutional Comments

6. Audit Committee is responsible for overseeing the external auditor's annual audit of the accounts and is the appropriate body to consider the content of this report.

Financial Comments

7. The anticipated proposed total fees, excluding the indicative fee for grant claim certification, are £130,950 for Nottinghamshire County Council and £29,927 for the Nottinghamshire Pension Fund.

Background Papers

Except for previously published documents, which will be available elsewhere, the documents listed here will be available for inspection in accordance with Section 100D of the Local Government Act 1972.

Electoral Division(s) and Member(s) Affected

All