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# Report to those charged with governance (ISA 260) 2012/13

West Lindsey District Council

13 September 2013



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This report is addressed to the Council and has been prepared for the sole use of the Council. 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](http://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 Tony Crawley, the appointed engagement lead to the Council, 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](mailto: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, 3<sup>rd</sup> Floor, Fry Building, 2 Marsham Street, London, SW1P 4DF or by email to [complaints@audit-commission.gsi.gov.uk](mailto:complaints@audit-commission.gsi.gov.uk). Their telephone number is 03034448330.

This report summarises:

- the key issues identified during our audit of West Lindsey District Council's (the Council's) financial statements for the year ended 31 March 2013; and
- our assessment of the Council's arrangements to secure value for money (VFM) in its use of resources.

## Financial statements

Our *External Audit Plan 2012/13* presented to you in February 2013 set out the four stages of our financial statements audit process.



This report focuses on the second and third stages of the process: control evaluation and substantive procedures. Our on site work for these took place in two tranches during February 2013 (interim audit) and August 2013 (year end audit). We carried out the following work:

Control Evaluation	<ul style="list-style-type: none"> <li>■ Evaluate and test selected controls over key financial systems</li> <li>■ Review internal audit function</li> <li>■ Review accounts production process</li> <li>■ Review progress on critical accounting matters</li> </ul>
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Substantive Procedures	<ul style="list-style-type: none"> <li>■ Planning and performing substantive audit procedures.</li> <li>■ Concluding on critical accounting matters.</li> <li>■ Identifying audit adjustments.</li> <li>■ Reviewing the Annual Governance Statement.</li> </ul>
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We are now in the final phase of the audit. Some aspects are also discharged through this report:

Completion	<ul style="list-style-type: none"> <li>■ Declaring our independence and objectivity.</li> <li>■ Obtaining management representations.</li> <li>■ Reporting matters of governance interest.</li> <li>■ Forming our audit opinion.</li> </ul>
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## VFM conclusion

Our *External Audit Plan 2012/13* explained our risk-based approach to VFM work, which follows guidance provided by the Audit Commission. We have completed our work to support our 2012/13 VFM conclusion. This included:

- assessing the potential VFM risks and identifying the residual audit risks for our VFM conclusion;
- considering the results of any relevant work by the Council, the Audit Commission, other inspectorates and review agencies in relation to these risk areas; and
- Responding to matters arising during the year, in particular risks identified by internal audit.

## Structure of this report

This report is structured as follows:

- Section 2 summarises the headline messages.
- Section 3 sets out the key findings from our audit work in relation to the 2012/13 financial statements.
- Section 4 outlines the key findings from our work on the VFM conclusion.

## Acknowledgements

We would like to take this opportunity to thank Officers and Members for their continuing help and co-operation throughout our audit work.

This table summarises the headline messages. The remainder of this report provides further details on each area.

<b>Proposed audit opinion</b>	We anticipate issuing an unqualified audit opinion by 30 September 2013. At present, the wording of your Annual Governance Statement does not fully accord with our understanding. We have been assured that we will receive a revised version that acknowledges the Head of Internal Audit's Annual Report.
<b>Audit adjustments</b>	The financial statements submitted for audit were of a high standard; our audit identified no material misstatements in the four main statements. We identified one misclassification in a supporting note that was material in value but had no further impact on the financial statements. This is set out at Appendix 1. In addition there was a small number of non-trivial adjustments to the supporting notes, all these adjustments were presentational in nature. The Council has agreed that all of these will be adjusted.
<b>Critical accounting matters</b>	We have worked with officers throughout the year to discuss risk areas. The Council addressed the accounting of these issues appropriately.
<b>Accounts production and audit process</b>	The Council demonstrated robust closedown arrangements, with good quality accounts and supporting working papers. Officers dealt efficiently with audit queries and the audit process has been completed within the planned timescales.
<b>Control environment</b>	The Council's organisation and IT control environment is effective, and controls over the key financial systems are sound. We are satisfied that internal audit are compliant with the Code of Practice for Internal Audit in Local Government and have been able to place reliance on their work where this was relevant to our work.
<b>Completion</b>	At the date of this report our audit of the financial statements is substantially complete. Before we can issue our opinion we require a signed management representation letter.  We confirm that we have complied with requirements on objectivity and independence in relation to this year's audit of the Council's financial statements.
<b>VFM conclusion and risk areas</b>	Our work on VFM conclusion is ongoing. This is because the detailed reports relating to internal audit's red rating for governance arrangements are not yet finalised. These reports were due to be significant elements of our review and we are now having to gather the evidence in a different way. We will update the Committee at the meeting.
<b>Audit fees</b>	In order to obtain the assurance needed, we have had to carry out additional work on the following areas: <ul style="list-style-type: none"> <li>■ Value for money conclusion</li> <li>■ Accounting judgements</li> <li>■ Elector queries</li> </ul> We will confirm the additional fee for this work after discussion with the S151 officer and approval by the Audit Commission.

**We have identified no issues in the course of the audit that are considered to be material.**

**The current wording of your Annual Governance Statement does not accord with our understanding but an update is due.**

### **Proposed audit opinion**

Subject to all outstanding queries being resolved to our satisfaction, we anticipate issuing an unqualified audit opinion by 30 September 2013.

### **Audit differences**

In accordance with ISA 260 we are required to report uncorrected audit differences to you. We also report any material misstatements which have been corrected and which we believe should be communicated to you to help you meet your governance responsibilities.

Our audit identified one material misstatement, which we have set out in Appendix 1. This was a misclassification of the Council's REFCUS expenditure in a supporting note and had no impact on the main statements. It is our understanding that this will be adjusted in the final version of the financial statements.

In addition, we identified a small number of presentational adjustments required to ensure that the accounts are compliant with the *Code of Practice on Local Authority Accounting the United Kingdom 2012/13 ('the Code')*. We understand that the Council will be addressing these.

There is no net impact on the General Fund as a result of audit adjustments.

### **Annual Governance Statement**

We have reviewed the Annual Governance Statement (AGS) and at the time of writing we are not able to confirm that:

- it complies with *Delivering Good Governance in Local Government: A Framework* published by CIPFA/SOLACE; and
- it is not misleading or inconsistent with other information we are aware of from our audit of the financial statements.

This is due to the AGS currently not properly reflecting the Head of Internal Audit's Annual Report, specifically the red rating for governance. We have received assurance from the Chief Executive that this is being addressed.

The Council has good processes in place for the production of the accounts and good quality supporting working papers.

Officers dealt efficiently with audit queries and the audit process could be completed within the planned timescales.

#### Accounts production and audit process

ISA 260 requires us to communicate to you our views about the significant qualitative aspects of the Council's accounting practices and financial reporting. We also assessed the Council's process for preparing the accounts and its support for an efficient audit.

We considered the following criteria:

Element	Commentary
<b>Accounting practices and financial reporting</b>	<p>The Council has good financial reporting arrangements in place and there is evidence that the closedown and accounts preparation has strengthened in 2012/13.</p> <p>One material misclassification in a supporting note was identified during the audit. Presentational amendments were made to the accounts.</p> <p>We consider that accounting practices are appropriate.</p>
<b>Completeness of draft accounts</b>	<p>We received a complete set of draft accounts on 28 June 2013.</p>
<b>Quality of supporting working papers</b>	<p>Our <i>Accounts Audit Protocol</i>, which we issued in March 2013 and discussed with the Group Accountant, sets out our working paper requirements for the audit.</p> <p>We agreed a timetable for receipt of the working papers. The working papers were received in line with this timetable and were of a high quality meeting the standards specified in the <i>Protocol</i>.</p>

Element	Commentary
<b>Critical accounting matters (key audit risks)</b>	<p>We have discussed with officers throughout the year the areas of specific audit risk and undertaken specific audit procedures. One new scheme required an assessment of accounting judgements.</p> <p>Officers brought to our attention in January 2013 the Council's involvement with the Bright Red Dot Foundation (BRDF). The unusual nature of the scheme meant that the accounting treatment was not straight forward and required detailed assessment. We carried out the following:</p> <ul style="list-style-type: none"> <li>■ reviewed the Council's agreement with the BRDF;</li> <li>■ assessed the Council's proposal to treat the payments as Revenue Expenditure Funded as Capital Under Statute (REFCUS) against the requirements of the Code of Local Authority Accounting Practice;</li> <li>■ sought further advice from KPMG's technical team; and</li> <li>■ tested the financial transactions.</li> </ul> <p>Our overall conclusion is that the Council's treatment is reasonable and its presentation in the financial statements is materially correct.</p>
<b>Response to audit queries</b>	<p>Officers made themselves available during the audit and provided full and prompt answers to audit queries.</p>

## Control environment

**The Council's organisation and IT control environment is effective, and controls over the key financial systems are sound.**

**We are satisfied that internal audit are compliant with the Code of Practice for Internal Audit in Local Government and have been able to place reliance on their work where this was relevant to our work.**

During February 2013 we completed our control evaluation work. We did not issue an interim report as there were no significant issues arising from this work, other than some areas for consideration relating to the contract with the BRDF, which we highlighted in a letter to the S151 officer. For completeness we reflect on key findings from this work.

### Organisational and IT control environment

Controls operated at an organisational level often have an impact on controls at an operational level and if there were weaknesses this would have implications for our audit. We therefore obtain an understanding of the Council's overall control environment and determine if appropriate controls have been implemented.

The Council also relies on information technology (IT) to support both financial reporting and internal control processes. In order to satisfy ourselves that we can rely on the use of IT, we test controls over access to systems and data, system changes, system development and computer operations.

We found that your organisational and IT control environment is effective overall.

### Review of Internal Audit

We work with your internal auditors to assess the control framework for certain key financial systems and seek to rely on any relevant work they have completed to minimise unnecessary duplication of work.

Where we intend to rely on internal audit's work in respect of the Council's key financial systems, auditing standards require us to complete an overall assessment of the internal audit function and to evaluate and test aspects of their work.

Based on the self-assessment performed by internal audit, our assessment of their files, attendance at Audit Committee and regular meetings during the course of the year, internal audit continue to comply with the Code of Practice for Internal Audit in Local Government .

Since April 2013, the United Kingdom Public Sector Internal Audit Standards (PSIAS) apply across the whole of the public sector, including local government. These standards are intended to promote further improvement in the professionalism, quality, consistency and effectiveness of internal audit across the public sector.

### Controls over key financial systems

Where we have determined that this is the most efficient audit approach to take, we test selected controls that address key risks within the financial systems. The strength of the control framework informs the substantive testing we complete during our final accounts visit.

Based on the work of your internal auditors, and our own work on controls over the year end process, the controls over the financial systems are sound.

**We confirm that we have complied with requirements on objectivity and independence in relation to this year's audit of the Council's financial statements.**

**Before we can issue our opinion we require a signed management representation letter.**

**Once we have finalised our opinions and conclusions we will prepare our *Annual Audit Letter* and close our audit.**

#### **Declaration of independence and objectivity**

As part of the finalisation process we are required to provide you with representations concerning our independence.

In relation to the audit of the financial statements of West Lindsey District Council for the year ending 31 March 2013, we confirm that there were no relationships between KPMG LLP and the Council, its directors and senior management and its affiliates that we consider may reasonably be thought to bear on the objectivity and independence of the audit engagement lead and audit staff. We also confirm that we have complied with Ethical Standards and the Audit Commission's requirements in relation to independence and objectivity.

We have provided a detailed declaration in Appendix 2 in accordance with ISA 260.

#### **Management representations**

You are required to provide us with representations on specific matters such as your financial standing and whether the transactions within the accounts are legal and unaffected by fraud. We have provided a template to the Head of Financial Services, which is reproduced in Appendix 3. We require a signed copy of your management representations before we issue our audit opinion.

#### **Other matters**

ISA 260 requires us to communicate to you by exception 'audit matters of governance interest that arise from the audit of the financial statements'.

There are no others matters which we wish to draw to your attention in addition to those highlighted in this report relating to the audit of the Council's 2012/13 financial statements.



**Our VFM conclusion considers how the Council secures financial resilience and challenges how it secures economy, efficiency and effectiveness.**

**We have yet to conclude that the Council has made proper arrangements to secure economy, efficiency and effectiveness in its use of resources.**

**Background**

Auditors are required to give their statutory VFM conclusion based on two criteria specified by the Audit Commission. These consider whether the Council has proper arrangements in place for:

- securing financial resilience: looking at the Council's financial governance, financial planning and financial control processes; and
- challenging how it secures economy, efficiency and effectiveness: looking at how the Council is prioritising resources and improving efficiency and productivity.

We follow a risk based approach to target audit effort on the areas of greatest audit risk. We consider the arrangements put in place by the Council to mitigate these risks and plan our work accordingly. Our approach was set out in more detail in our *External Audit Plan 2012/13*.

**Risk assessment**

Our initial risk assessment identified the following key business risk which are also relevant to our VFM conclusion.

The Council had efficiencies to deliver in 2012/13 and it must find savings in 2013/14 to address the further reductions to local authority funding.

**Findings**

We monitored the Council's response to the key business risk during 2012/13 and found no issues with regards to the efficiency plan . Although the recent Comprehensive Spending Review presented further financial challenges that the Council will need to meet, we are

assured that it has a robust medium term financial plan.

We have considered any work carried out by the Audit Commission, other inspectorates or review agencies to mitigate the audit risks for our VFM conclusion.

We have also considered the work of the Council and its internal auditors during the year. Our work in this area is ongoing in response to the Head of Internal Audit's red risk rating for governance. The related detailed reports are yet to be finalised. These reports were due to be significant elements of our review and we are now having to gather the evidence in a different way. We will update the Committee at the meeting.

**Conclusion**

As stated above, our work on the VFM conclusion is not yet complete.

VFM criterion	Met
Securing financial resilience	TBC
Securing economy, efficiency and effectiveness	TBC

**This appendix sets out one material audit difference.**

**It is our understanding that this will be adjusted.**

We are required by ISA 260 to report all uncorrected misstatements, other than those that we believe are clearly trivial, to those charged with governance (which in the Council's case is the Audit Committee). There were no non-trivial misstatements that management declined to amend.

We are also required to report all material misstatements that have been corrected but that we believe should be communicated to you to assist you in fulfilling your governance responsibilities.

**Corrected audit difference**

The following table sets out the material misstatements identified by our audit of the Council's financial statements for the year ended 31 March 2013. It is our understanding that these will be adjusted. We have not yet received a revised set of financial statements.

No.	Reference	Line	Adjustment (£,k)	Description of audit difference
1	Note 23: Amounts reported for resource allocation decisions. Reconciliation to subjective analysis	Other expenses	1,832	Misclassification of REFCUS expenditure.
		Depreciation, amortisation and impairment	1,832	

**The Code of Audit Practice requires us to exercise our professional judgement and act independently of both the Commission and the Council.**

### Requirements

Auditors appointed by the Audit Commission must comply with the *Code of Audit Practice* (the Code) which states that:

*“Auditors and their staff should exercise their professional judgement and act independently of both the Commission and the audited body. Auditors, or any firm with which an auditor is associated, should not carry out work for an audited body that does not relate directly to the discharge of auditors’ functions, if it would impair the auditors’ independence or might give rise to a reasonable perception that their independence could be impaired.”*

In considering issues of independence and objectivity we consider relevant professional, regulatory and legal requirements and guidance, including the provisions of the Code, the detailed provisions of the Statement of Independence included within the Audit Commission’s Standing guidance for local government auditors (Audit Commission Guidance) and the requirements of APB Ethical Standard 1 *Integrity, Objectivity and Independence* (Ethical Standards).

The Code states that, in carrying out their audit of the financial statements, auditors should comply with auditing standards currently in force, and as may be amended from time to time. Audit Commission Guidance requires appointed auditors to follow the provisions of ISA (UK & I) 260 Communication of *Audit Matters with Those Charged with Governance* that are applicable to the audit of listed companies. This means that the appointed auditor must disclose in writing:

- Details of all relationships between the auditor and the client, its directors and senior management and its affiliates, including all services provided by the audit firm and its network to the client, its directors and senior management and its affiliates, that the auditor considers may reasonably be thought to bear on the auditor’s objectivity and independence.
- The related safeguards that are in place.

- The total amount of fees that the auditor and the auditor’s network firms have charged to the client and its affiliates for the provision of services during the reporting period, analysed into appropriate categories, for example, statutory audit services, further audit services, tax advisory services and other non-audit services. For each category, the amounts of any future services which have been contracted or where a written proposal has been submitted are separately disclosed. We do this in our Annual Audit Letter.

Appointed auditors are also required to confirm in writing that they have complied with Ethical Standards and that, in the auditor’s professional judgement, the auditor is independent and the auditor’s objectivity is not compromised, or otherwise declare that the auditor has concerns that the auditor’s objectivity and independence may be compromised and explaining the actions which necessarily follow from his. These matters should be discussed with the Governance and Audit Committee.

Ethical Standards require us to communicate to those charged with governance in writing at least annually all significant facts and matters, including those related to the provision of non-audit services and the safeguards put in place that, in our professional judgement, may reasonably be thought to bear on our independence and the objectivity of the Audit Partner and the audit team.

### General procedures to safeguard independence and objectivity

KPMG’s reputation is built, in great part, upon the conduct of our professionals and their ability to deliver objective and independent advice and opinions. That integrity and objectivity underpins the work that KPMG performs and is important to the regulatory environments in which we operate. All partners and staff have an obligation to maintain the relevant level of required independence and to identify and evaluate circumstances and relationships that may impair that independence.

**We confirm that we have complied with requirements on objectivity and independence in relation to this year's audit of the Council's financial statements.**

Acting as an auditor places specific obligations on the firm, partners and staff in order to demonstrate the firm's required independence. KPMG's policies and procedures regarding independence matters are detailed in the Ethics and Independence Manual ('the Manual'). The Manual sets out the overriding principles and summarises the policies and regulations which all partners and staff must adhere to in the area of professional conduct and in dealings with clients and others.

KPMG is committed to ensuring that all partners and staff are aware of these principles. To facilitate this, a hard copy of the Manual is provided to everyone annually. The Manual is divided into two parts. Part 1 sets out KPMG's ethics and independence policies which partners and staff must observe both in relation to their personal dealings and in relation to the professional services they provide. Part 2 of the Manual summarises the key risk management policies which partners and staff are required to follow when providing such services.

All partners and staff must understand the personal responsibilities they have towards complying with the policies outlined in the Manual and follow them at all times. To acknowledge understanding of and adherence to the policies set out in the Manual, all partners and staff are required to submit an annual Ethics and Independence Confirmation. Failure to follow these policies can result in disciplinary action.

#### **Auditor declaration**

In relation to the audit of the financial statements of West Lindsey District Council for the financial year ending 31 March 2013, we confirm that there were no relationships between KPMG LLP and West Lindsey District Council, its directors and senior management and its affiliates that we consider may reasonably be thought to bear on the objectivity and independence of the audit engagement lead and audit staff. We also confirm that we have complied with Ethical Standards and the Audit Commission's requirements in relation to independence and objectivity.

**We ask you to provide us with representations on specific matters such as whether the transactions within the accounts are legal and unaffected by fraud.**

**The wording for these representations is prescribed by auditing standards.**

**We require a signed copy of your management representations before we issue our audit opinion.**

Dear Sirs

This representation letter is provided in connection with your audit of the financial statements of West Lindsey District Council (“the Council”), for the year ended 31 March 2013, for the purpose of expressing an opinion as to whether these:

- i. give a true and fair view of the financial position of West Lindsey District Council as at 31 March 2013 and of its expenditure and income for the year then ended; and
- ii. have been properly prepared in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2012/13.

These financial statements comprise the Movement in Reserves Statement, the Comprehensive Income and Expenditure Statement, the Balance Sheet, the Cash Flow Statement, the Housing Revenue Account Income and Expenditure Statement, the Movement on the Housing Revenue Account Statement and the Collection Fund and the related notes.

The Council confirms that the representations it makes in this letter are in accordance with the definitions set out in the Appendix to this letter.

The Council confirms that, to the best of its knowledge and belief, having made such inquiries as it considered necessary for the purpose of appropriately informing itself:

**Financial statements**

1. The Council has fulfilled its responsibilities, as set out in regulation 8 of the Accounts and Audit (England) Regulations 2011, for the preparation of financial statements that:
  - give a true and fair view of the financial position of the Council as at 31 March 2013 and of the Council's expenditure and income for the year then ended; and
  - have been properly prepared in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2012/13.

The financial statements have been prepared on a going concern basis.

2. Measurement methods and significant assumptions used by the Council in making accounting estimates, including those measured at fair value, are reasonable.
3. All events subsequent to the date of the financial statements and for which the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2012/13 require adjustment or disclosure have been adjusted or disclosed.

**Information provided**

4. The Council has provided you with:
  - access to all information of which it is aware, that is relevant to the preparation of the financial statements, such as records, documentation and other matters;
  - additional information that you have requested from the Council for the purpose of the audit; and
  - unrestricted access to persons within the Council from whom you determined it necessary to obtain audit evidence.
5. All transactions have been recorded in the accounting records and are reflected in the financial statements.
6. The Council acknowledges its responsibility for such internal control as it determines necessary for the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In particular, the Council acknowledges its responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud and error.

The Council has disclosed to you the results of its assessment of the risk that the financial statements may be materially misstated as a result of fraud.

**We ask you to provide us with representations on specific matters such as whether the transactions within the accounts are legal and unaffected by fraud.**

**The wording for these representations is prescribed by auditing standards.**

**We require a signed copy of your management representations before we issue our audit opinion.**

7. The Council has disclosed to you all information in relation to:
  - a) Fraud or suspected fraud that it is aware of and that affects the Council and involves:
    - management;
    - employees who have significant roles in internal control; or
    - others where the fraud could have a material effect on the financial statements; and
  - b) allegations of fraud, or suspected fraud, affecting the financial statements communicated by employees, former employees, analysts, regulators or others.
8. The Council has disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing the financial statements.
9. The Council has disclosed to you and has appropriately accounted for and/or disclosed in the financial statements in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2012/13 all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements.
10. The Council has disclosed to you the identity of the Council's related parties and all the related party relationships and transactions of which it is aware and all related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2012/13.

Included in the Appendix to this letter are the definitions of both a related party and a related party transaction as the Council understands them and as defined in IAS 24, except where interpretations or adaptations to fit the public sector are detailed in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2012/13.

11. On the basis of the process established by the Council and having made appropriate enquiries, the Council is satisfied that the actuarial assumptions underlying the valuation of pension scheme liabilities are consistent with its knowledge of the business.

The Council further confirms that:

- a) all significant retirement benefits, including any arrangements that:
  - are statutory, contractual or implicit in the employer's actions;
  - arise in the UK and the Republic of Ireland or overseas;
  - are funded or unfunded; and
  - are approved or unapproved,

have been identified and properly accounted for; and

- a) all settlements and curtailments have been identified and properly accounted for.

This letter was tabled and agreed at the meeting of the Governance and Audit Committee on 26 September 2013.

Yours faithfully,

Head of Financial Services

Chair of the Governance and Audit Committee



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