



## **AUDIT AND GOVERNANCE COMMITTEE**

**MEETING** : Monday, 27th January 2014

**PRESENT** : Cllrs. Hobbs (Vice-Chair, in the Chair), McLellan, Noakes, Llewellyn, Porter, Wood and Ms T Westcott of KPMG LLP (UK)

**Others in Attendance**

Ms T Westcott, Manager, KPMG LLP (UK)

Peter Gillett, Corporate Director of Resources (Gloucester City)

Jon Topping, Head of Financial Services (Gloucester City)

Terry Rodway, Audit, Risk and Assurance Manager (Gloucester City)

**APOLOGIES** : Cllrs. Wilson and Gilson, Mr D Gilbert of KPMG LLP (UK)

### **82. DECLARATIONS OF INTEREST**

There were no declarations of interest.

### **83. PUBLIC QUESTION TIME (15 MINUTES)**

There were no questions from members of the public.

### **84. PETITIONS AND DEPUTATIONS (15 MINUTES)**

There were no petitions or deputations.

### **85. UPDATE ON PEER REVIEW**

The Director of Resources updated the Committee on behalf of the Chief Executive. As the first draft of the Peer Review report had only just been received, it was proposed that the report be considered at the next meeting of the Committee to allow further analysis of the document. The Committee agreed and requested that a Members' Briefing on the subject be emailed before the next meeting.

**RESOLVED:**

(1) That the update be deferred to the meeting on 17 March 2014.

(2) That an electronic Members' Briefing be issued before the next meeting on 17 March 2014.

### **86. KPMG ANNUAL AUDIT LETTER 2012/13**

**AUDIT AND GOVERNANCE COMMITTEE**  
**27.01.14**

Ms T Westcott, Manager of KPMG LLP (UK) presented the Committee with the Annual Audit Letter 2012/13 dated October 2013.

Ms Westcott drew Members' attention to the 'Headlines' in the Annual Audit Letter. She confirmed that KPMG LLP (UK) were satisfied that the Council had proper arrangements for securing financial resilience and that it secured economy, efficiency, and effectiveness. In particular, the Annual Audit Letter recognised an improvement in the quality of Gloucester City Council's accounts. Ms Westcott commented on the recommendations relating to fixed assets and noted the Council's plans to implement a new system to address this issue. Ms Westcott also gave a breakdown of the audit fees set out in Appendix 3.

Members were pleased to learn of the improved position.

The Committee discussed the following matters:-

- **The reason for the variation between the Audit Commission's scale fee of £85,400 and the actual final fee charged for 2012/13 of £139,500.** Ms Westcott clarified the position and confirmed that KPMG LLP (UK) would be reviewing the future fee in light of the Council's improved position and that a reduction was anticipated.
- **The reason why Aspire's assets were not included in the 'Review of Community and Intangible Assets'.** Ms Westcott explained that KPMG LLP (UK) believed that Aspire's relationship with the City Council had changed following a full review.

**RESOLVED: That the Annual Audit Letter for 2012/13 be noted.**

**87. DATE OF NEXT MEETING**

Monday 17 March 2014 at 18.30 hours.

**Time of commencement: 18:30 hours**

**Time of conclusion: 18:50 hours**

**Chair**