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**Private & confidential**

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Our ref DH/AC/NBC

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4 May 2016

Dear Glenn,

**Northampton Borough Council – 2015/16 External Audit progress**

We have now completed our planning and interim audit work in line with the timetable set out in our detailed *External Audit Plan 2015/16*, dated February 2016. In that plan we indicated that we would only present an *Interim Audit Report* to the Audit Committee if there were any important matters from the planning and control evaluation phases of our audit we needed to bring to their attention prior to the year-end audit.

As our interim audit work to date has not identified any significant issues, we do not consider it necessary to issue a formal report to the Audit Committee at this stage. There are a few matters which we have discussed with you and your team, which we will include for completeness in the *ISA260 Report 2015/16*, which we will produce at the conclusion of the audit and present to the Audit Committee in September 2016.

Additionally, we note that as of 31 March 2016, the Audit Committee had not received any internal audit reports from either provider. We have thus far been unable to review, or place reliance on, the work of Internal Audit up to this date. As our controls work in relation to payroll is dependent upon Internal Audit's findings, and this has yet to be finalised, we will therefore have to complete this during our final accounts visit.

In our *ISA260 Report 2014/15*, we recommended that the Authority should undertake a thorough assessment of both Internal Audit providers' annual audit plans for 2015/16 to ensure that appropriate and timely coverage of systems is provided during 2015/16.

We have continued to progress our investigation into the football club loan, and the findings of this review will also feed into our specific audit work relating to our value for money conclusion regarding whether the Authority 'has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources'.

In the absence of the need for an *Interim Audit Report*, please feel free to table this letter at the next Audit Committee meeting, to provide them with an update on the progress of our audit.

Yours sincerely

Andrew Cardoza  
**Director, KPMG LLP**