



**GA.36 15/16**

**Committee Governance and  
Audit Committee**

**12<sup>th</sup> November 2015**

**C**

**Subject: Annual Audit Letter 2014/15**

Report by:

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Purpose / Summary:

The purpose of the report is to present the Annual Audit Letter to the Governance and Audit Committee.

**RECOMMENDATION(S):**

**That Members note and receive the information contained within this report.**

**IMPLICATIONS**

**Legal:**  
None arising from this report.

**Financial : FIN/83/15**  
As detailed within the Annual Audit Letter.  
The corporate Audit Fees are met from an approved budget, with any additional work charged to the relevant project budgets.

**Staffing :**  
None arising from this report.

**Equality and Diversity including Human Rights :**  
None arising from this report

**Risk Assessment :**  
None arising from this report.

**Climate Related Risks and Opportunities :**  
None arising from this report.

**Title and Location of any Background Papers used in the preparation of this report:**

**Call in and Urgency:**

**Is the decision one which Rule 14.7 of the Scrutiny Procedure Rules apply?**

*i.e. is the report exempt from being called in due to urgency (in consultation with C&I chairman)*

Yes

No

**Key Decision:**

*A matter which affects two or more wards, or has significant financial implications*

Yes

No

## **Executive Summary**

The Annual Audit Letter is attached at Appendix A, the headlines of which include:

- An unqualified audit opinion on the 2014/15 Statement of Accounts
- An unqualified value for money (VFM) 2014/15 conclusion
- The authority has good processes in place for the production of the accounts
- Certified Completion of the Audit
- Annual Governance Statement consistent with understanding of the Authority.

The report will be presented by Adrian Benselin, KPMG LLP (UK).

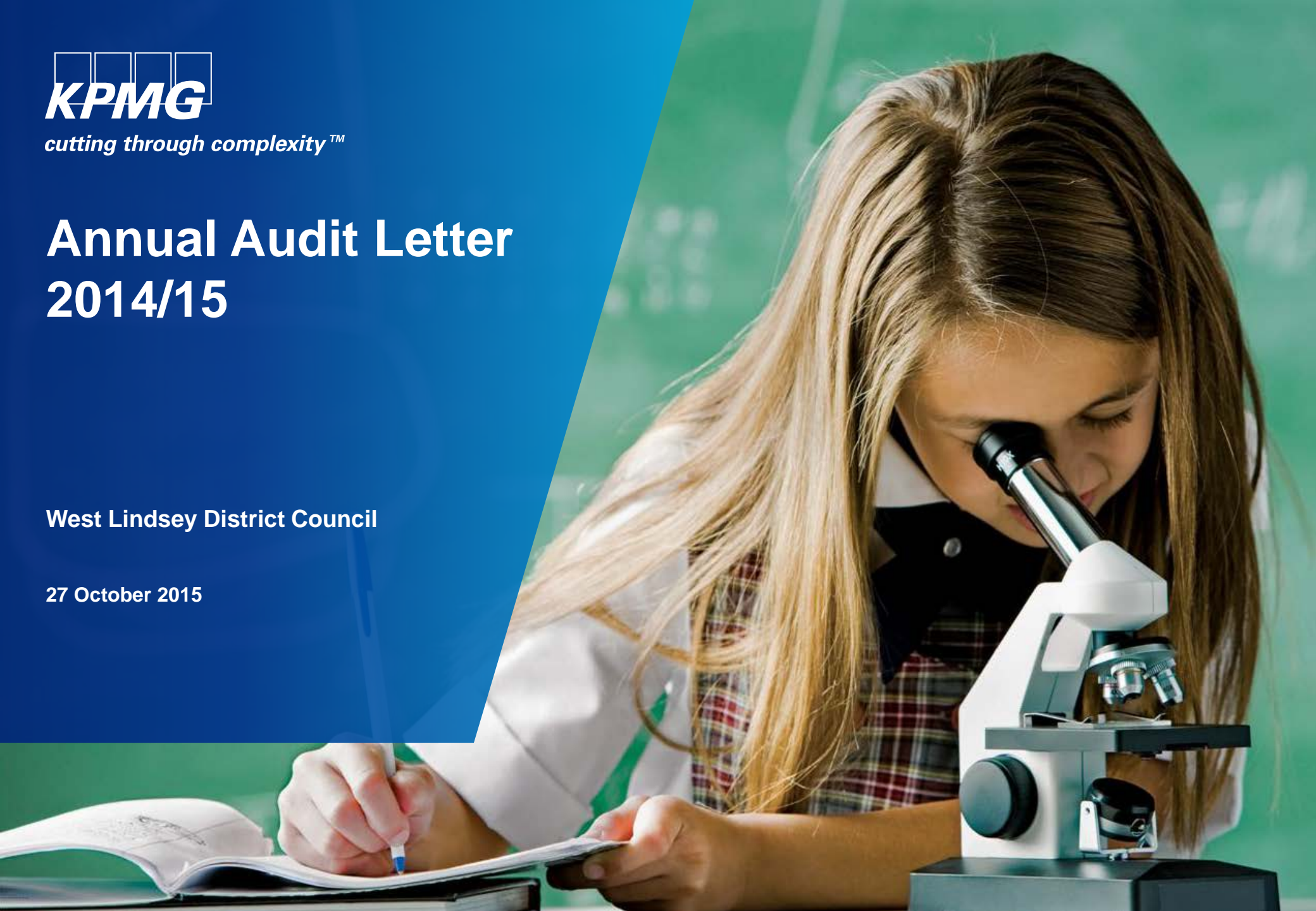


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# Annual Audit Letter 2014/15

West Lindsey District Council

27 October 2015



**The contacts at KPMG in connection with this report are:**

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## Report sections

- Headlines

## Appendices

1. Summary of reports issued
2. Audit fees

## Page

2

3

4

This report is addressed to the Authority and has been prepared for the sole use of the Authority. We take no responsibility to any member of staff acting in their individual capacities, or to third parties. The Audit Commission issued a document entitled *Statement of Responsibilities of Auditors and Audited Bodies* summarising where the responsibilities of auditors begin and end and what is expected from audited bodies. We draw your attention to this document which is available on Public Sector Audit Appointment's website ([www.psa.co.uk](http://www.psa.co.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.

We are committed to providing you with a high quality service. 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 engagement lead to the Authority, who will try to resolve your complaint. If you are dissatisfied with your response please contact the national lead partner for all of KPMG's work under our contract with Public Sector Audit Appointments Limited, Trevor Rees (on 0161 246 4000, or by email to [trevor.rees@kpmg.co.uk](mailto:trevor.rees@kpmg.co.uk)). After this, if you are still dissatisfied with how your complaint has been handled you can access PSAA's complaints procedure by emailing [generalenquiries@psaa.co.uk](mailto:generalenquiries@psaa.co.uk), by telephoning 020 7072 7445 or by writing to Public Sector Audit Appointments Limited, 3rd Floor, Local Government House, Smith Square, London, SW1P 3HZ.

**This report summarises the key findings from our 2014/15 audit of West Lindsey District Council (the Authority).**

**Although this letter is addressed to the Members of the Authority, it is also intended to communicate these issues to key external stakeholders, including members of the public.**

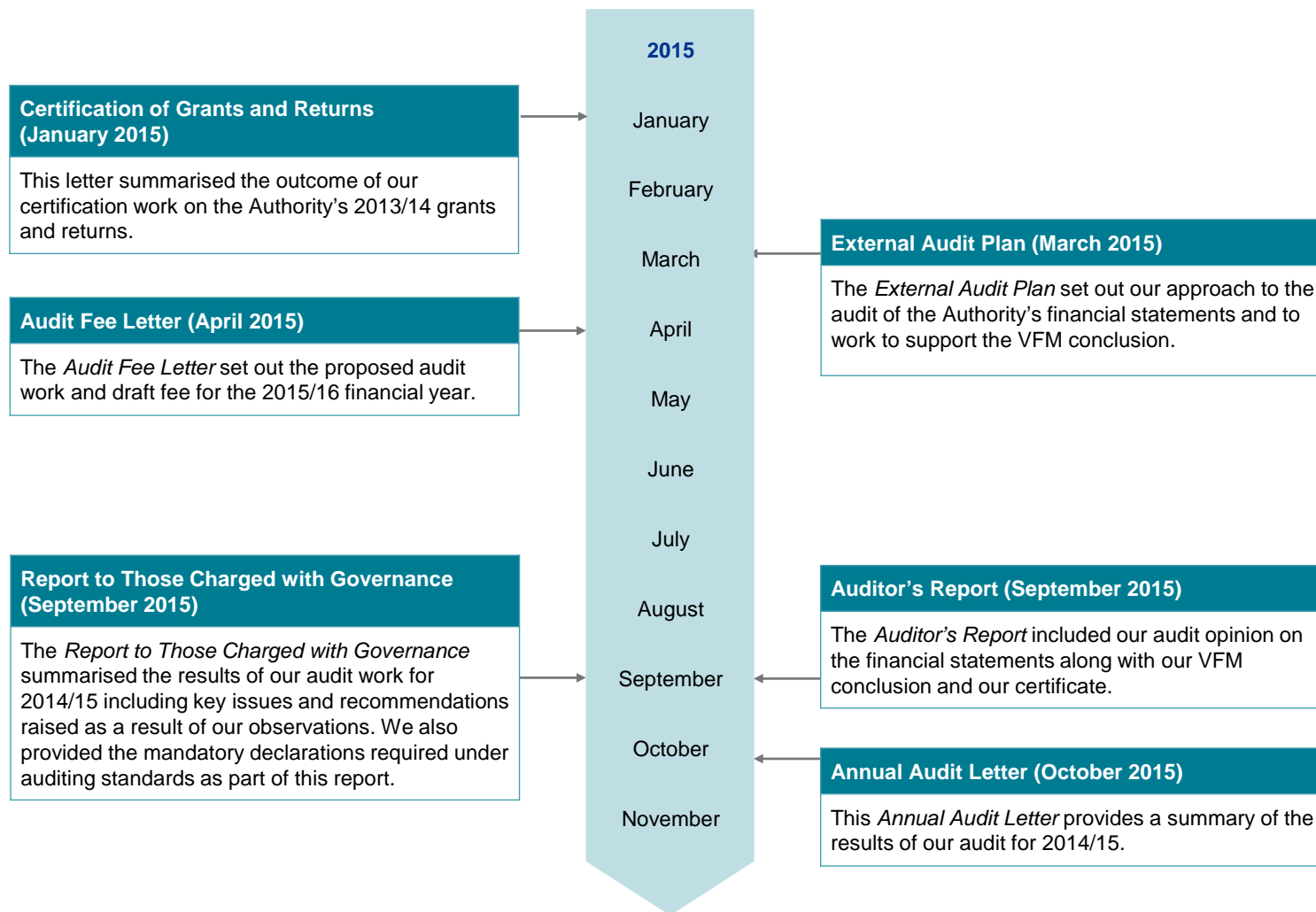
**Our audit covers the audit of the Authority's 2014/15 financial statements and the 2014/15 VFM conclusion.**

**All the issues in this Annual Audit Letter have been previously reported. The detailed findings are contained in the reports we have listed in Appendix 1.**

<b>VFM conclusion</b>	<p>We issued an unqualified conclusion on the Authority's arrangements to secure value for money (VFM conclusion) for 2014/15 on 28 September 2015. This means we are satisfied that the Authority had proper arrangements for securing financial resilience and challenging how it secures economy, efficiency and effectiveness.</p> <p>To arrive at our conclusion we looked at the Authority's financial governance, financial planning and financial control processes, as well as the arrangements for prioritising resources and improving efficiency and productivity.</p>
<b>Audit opinion</b>	<p>We issued an unqualified opinion on the Authority's financial statements on 28 September 2015. This means that we believe the financial statements give a true and fair view of the financial position of the Authority and of its expenditure and income for the year.</p>
<b>Financial statements audit</b>	<p>The Authority has good processes in place for the production of the accounts. Officers dealt efficiently with audit queries and the audit process was completed within the planned timescales.</p> <p>The amounts disclosed as gross income and gross expenditure on the face of the CIES were amended for non-trivial adjustments, although there is no change to the net cost of services.</p> <p>In addition, the Authority made a small number of non-trivial adjustments, most of which were of a presentational nature. There was no impact on the General Fund balance.</p>
<b>Annual Governance Statement</b>	<p>We reviewed your <i>Annual Governance Statement</i> and concluded that it was consistent with our understanding.</p>
<b>Whole of Government Accounts</b>	<p>The Authority prepares a consolidation pack to support the production of Whole of Government Accounts by HM Treasury. We are not required to review your pack in detail as the Authority falls below the threshold where an audit is required. As required by the guidance we have confirmed this with the National Audit Office.</p>
<b>Certificate</b>	<p>We issued our certificate on 28 September 2015. The certificate confirms that we have concluded the audit for 2014/15 in accordance with the requirements of the <i>Audit Commission Act 1998</i> and the <i>Audit Commission's Code of Audit Practice</i>.</p>
<b>Audit fee</b>	<p>Our fee for 2014/15 was £57,871 excluding VAT. Further detail is contained in Appendix 2.</p>

## Appendix 1: Summary of reports issued

This appendix summarises the reports we issued since our last *Annual Audit Letter*.



**This appendix provides information on our final fees for the 2014/15 audit.**

To ensure transparency about the extent of our fee relationship with the Authority we have summarised below the outturn against the 2014/15 planned audit fee.

#### **External audit**

Our final fee for the 2014/15 audit of the Authority was £57,871, which is in line with the planned fee.

#### **Certification of grants and returns**

Under our terms of engagement with Public Sector Audit Appointments Ltd we undertake prescribed work in order to certify the Authority's housing benefit grant claim. This certification work is still ongoing. The final fee will be confirmed through our reporting on the outcome of that work in February 2016.

#### **Other services**

We did not charge any additional fees for other services.





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