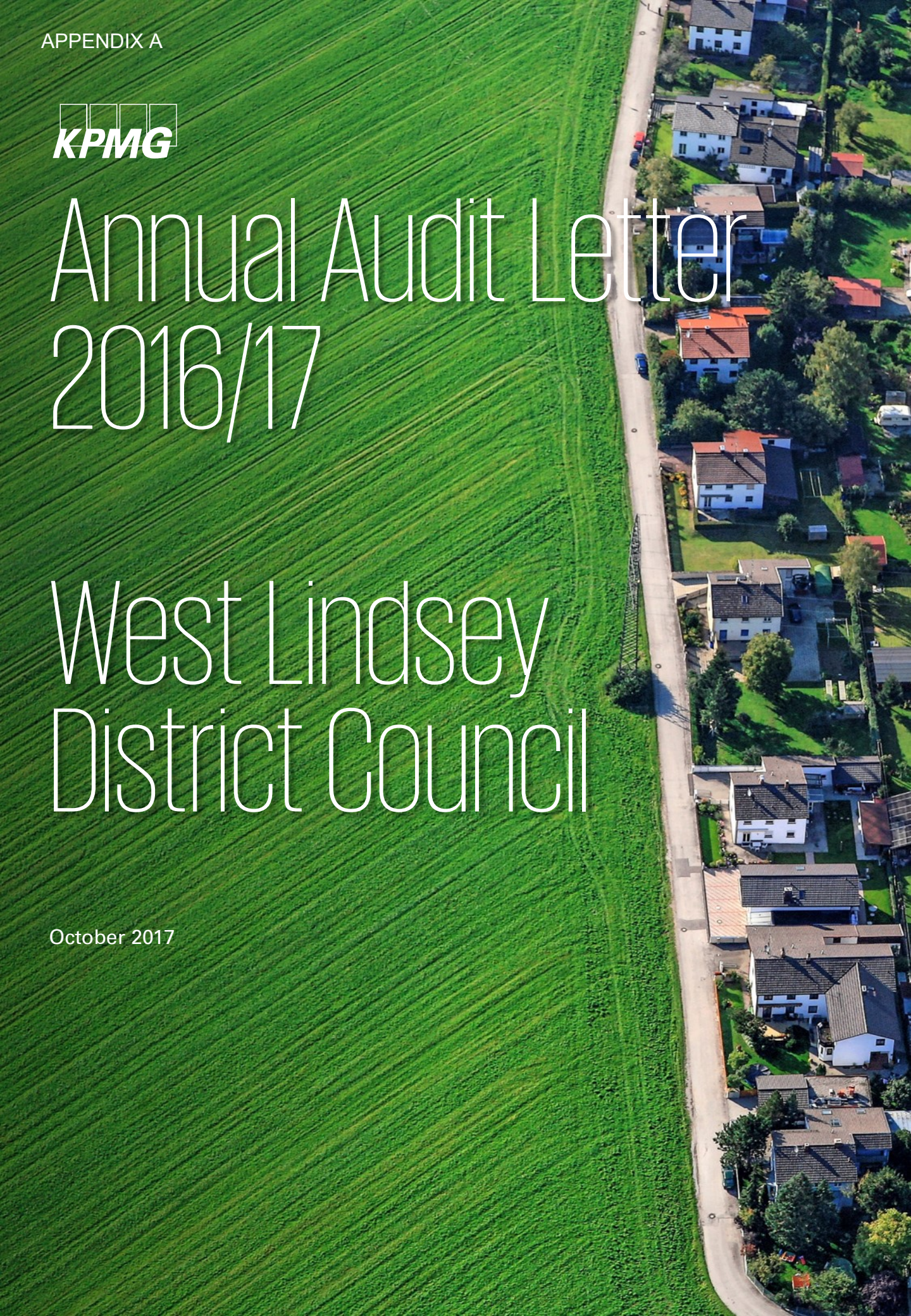




Annual Audit Letter 2016/17

West Lindsey District Council

October 2017



Contents

Report sections

Summary 3

Appendices

1. Summary of reports issued 4

2. Audit fees 5

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. Public Sector Audit Appointments 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).

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 John Cornett, 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, Andrew Sayers (andrew.sayers@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, by telephoning 020 7072 7445 or by writing to Public Sector Audit Appointments Limited, 3rd Floor, Local Government House, Smith Square, London, SW1P 3HZ.

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Section one

Summary

This Annual Audit Letter summarises the outcome from our audit work at West Lindsey District Council in relation to the 2016/17 audit year. Although it is addressed to Members of the Authority, it is also intended to communicate these key messages to key external stakeholders, including members of the public, and will be placed on the Authority's website.

A summary of the reports we have issued during the year is included at Appendix 1.

VFM conclusion

We issued an unqualified conclusion on the Authority's arrangements to secure value for money (VFM conclusion) for 2016-17 on 25 September 2017. This means we are satisfied that during the year the Authority had appropriate arrangements for securing economy, efficiency and effectiveness in the use of its resources.

To arrive at our conclusion we looked at the Authority's arrangements to make informed decision making, sustainable resource deployment and working with partners and third parties.

VFM risk areas

We undertook a risk assessment as part of our VFM audit work to identify the key areas impacting on our VFM conclusion and considered the arrangements you have put in place to mitigate these risks. We identified one area of focus for our continuing VFM risk assessment, regarding your arrangements for securing financial resilience. We took account of, amongst other things, your 2016-17 outturn and your financial plan for 2017/18 and future years. The Medium Term Financial Strategy (MTFS) identified an expected surplus budget in 2017-18 but sets out the financial challenges in 2019-20 and future years, with further savings of £0.4 million required by 2021-22. The MTFS acknowledges there are risks attached to the proposals and that the medium term financial sustainability is dependent on the successful delivery of the Authority's commercial and growth opportunities, and improvement and transformation of its services.

Overall, we concluded that in 2016-17, the Authority had made proper arrangements to ensure it took properly-informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people.

Audit opinion

We issued an unqualified opinion on the Authority's financial statements on 25 September 2017. 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.

Financial statements audit

No material errors were identified during the audit and there were no uncorrected audit differences that we needed to report. We considered the Authority's accounting practices to be appropriate, the draft accounts were published well ahead of the deadline and the quality of supporting working papers was good.

Other information accompanying the financial statements

Whilst not explicitly covered by our audit opinion, we review other information that accompanies the financial statements to consider its material consistency with the audited accounts. This year we reviewed the Annual Governance Statement and Narrative Report. We concluded that they were consistent with our understanding and did not identify any issues.

Certificate

We issued our certificate on 25 September 2017. The certificate confirms that we have concluded the audit for 2016/17 in accordance with the requirements of the Local Audit & Accountability Act 2014 and the Code of Audit Practice.

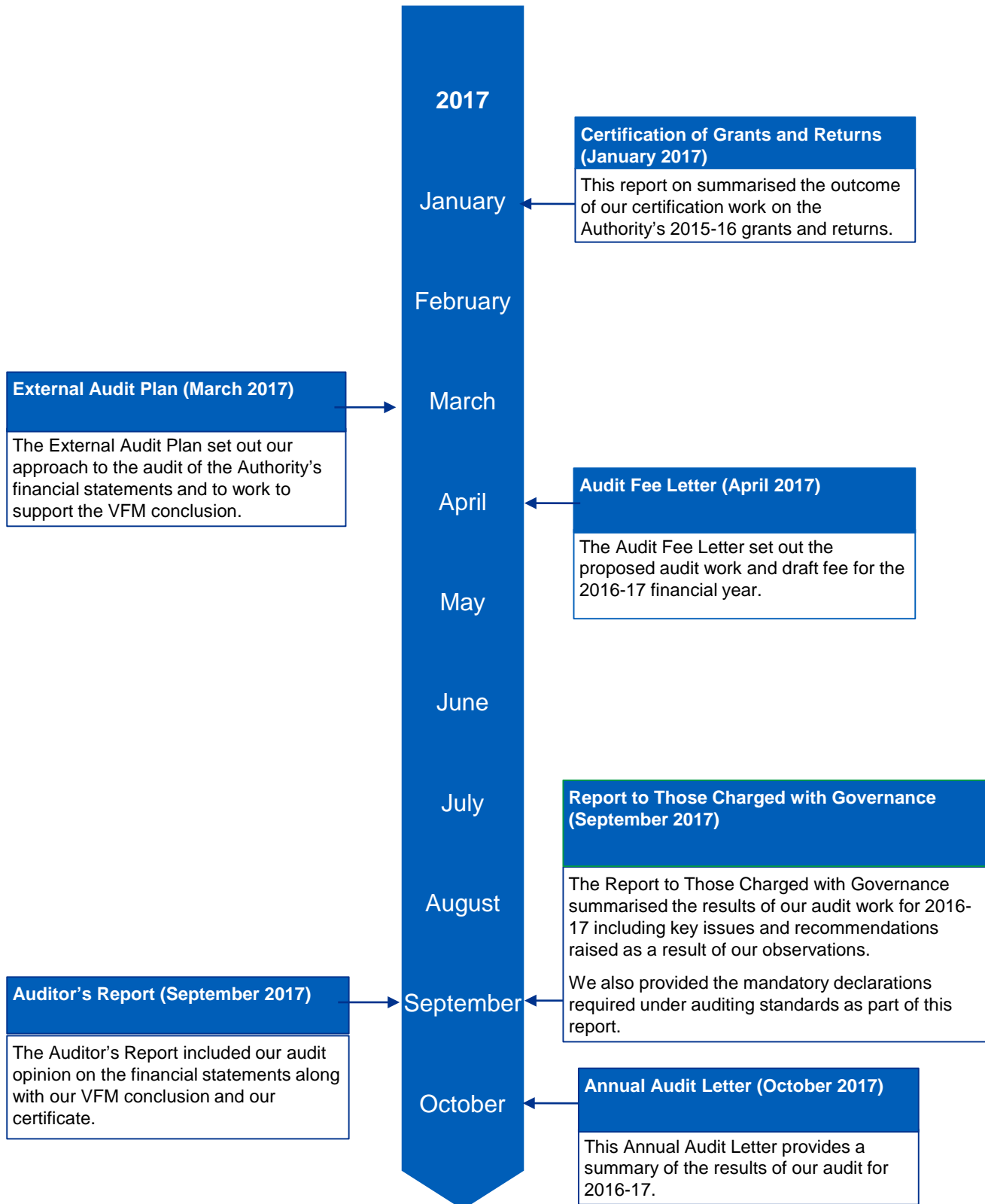
Audit fee

The scale fee set by PSAA for 2016-17 was £43,403, excluding VAT. Further detail is contained in Appendix 2.

Appendix 1

Summary of reports issued

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



Appendix 2

Audit fees

This appendix provides information on our final fees for the 2016-17 audit.

To ensure transparency about the extent of our fee relationship with the Authority we have summarised below the outturn against the 2016-17 planned audit fee.

External audit

The scale fee set by PSAA for the 2016-17 audit of the Authority was £43,403 (excluding VAT),.

Certification of grants and returns

Under our terms of engagement with Public Sector Audit Appointments we undertake prescribed work in order to certify the Authority's housing benefit grant claim. This certification work is still ongoing. The indicative scale fee set by PSAA for this work is £6,176. The final fee will be confirmed through our reporting on the outcome of that work in January 2018.

Other services

We charged £5,200 (excluding VAT) for tax advice regarding group structure considerations This work was not related to our responsibilities under the Code of Audit Practice.

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