

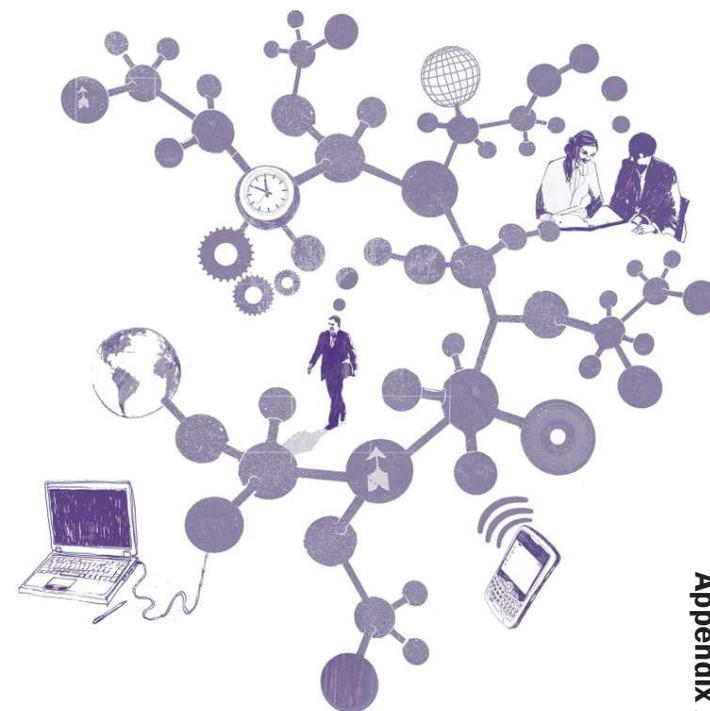
The Annual Audit Letter for Sevenoaks District Council

Year ended 31 March 2014

October 2014

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Key messages

Our Annual Audit Letter summarises the key findings arising from the work that we have carried out at Sevenoaks District Council ('the Council') for the year ended 31 March 2014.

The Letter is intended to communicate key messages to the Council and external stakeholders, including members of the public. Our annual work programme, which includes nationally prescribed and locally determined work, has been undertaken in accordance with the Audit Plan that presented to the Audit Committee on 10 June 2014 and was conducted in accordance with the Audit Commission's Code of Audit Practice, International Standards on Auditing (UK and Ireland) and other guidance issued by the Audit Commission.

<p>Financial statements audit (including audit opinion)</p>	<p>We reported our findings arising from the audit of the financial statements in our Audit Findings Report on 9 September 2014 to the Audit Committee. The key messages reported were:</p> <ul style="list-style-type: none"> • The financial statements were provided by the deadline, although as last year, there was scope to reduce the number of presentational errors through a more thorough quality review process • The quality of the working papers and documents supporting the balances within the financial statements were of a good standard. • Our substantive testing of the balances within the financial statements identified only two issues which related to non domestic rates and gross expenditure and gross income figures, that the Council adjusted. <p>We issued an unqualified opinion on the Council's 2013/14 financial statements on 19 September 2014, meeting the deadline set by the Department for Communities and Local Government. Our opinion confirms that the financial statements give a true and fair view of the Council's financial position and of the income and expenditure recorded by the Council.</p>
<p>Value for Money (VfM) conclusion</p>	<p>We issued an unqualified VfM conclusion for 2013/14 on 19 September 2014.</p> <p>Overall our work highlighted the Council has effective arrangements. The Council has a detailed ten year financial plan and has identified its key financial targets for the period up to 2024. Financial governance arrangements are strong and effective financial control enabled the successful delivery of planned financial outcomes for the year</p> <p>On the basis of our work, and having regard to the guidance on the specified criteria published by the Audit Commission, we are satisfied that in all significant respects the Council put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ending 31 March 2014.</p>

Key messages

Whole of Government Accounts	Also on 19 September 2014, we submitted the short form assurance statement on the Council's Whole of Government Accounts.
Certification of grant claims and returns	Our work on the Council's Housing Benefit Claim is in progress and we expect to meet the certification deadline of 30 November 2014.
Fee	Our fee for 2013/14 was £80k, excluding VAT, which is £7k less than our planned fee for the year. Further detail is included within appendix B.

Appendix A: Key issues and recommendations

This appendix summarised the significant recommendations identified during the 2013/14 audit.

No.	Issue and recommendation	Priority	Management response/ responsible office/ due date
1.	<p>The audit identified misclassifications and disclosure notes which required amendments.</p> <p>Recommendation: As recommended last year the Council should consider building into the financial statements preparation process a more thorough comprehensive quality assurance review to identify errors.</p>		<p>Additional time was included for this purpose in 2013/14 and further resources will be allocated for this purpose in 2014/15 to carry out a more thorough review.</p> <p>Responsible officer: Head of Finance</p> <p>Due date: June 2015</p>

Appendix B: Reports issued and fees

We confirm below the fee charged for the audit and confirm there were no fees for the provision of non audit services.

Fees

	Per Audit plan £	Actual fees £
Audit Fee	56,641	59,541
Grant certification fee	30,300	Estimate 20,000
Total fees	£86,941	£79,541

There is additional fee of £900 in respect of work on material business rates balances. This additional work was necessary as auditors are no longer required to carry out work to certify Non Domestic Rate (NDR) returns. The additional fee is 50% of the average fee previously charged for NDR3 certifications for District Councils and is subject to agreement by the Audit Commission. There is an additional fee of £2,000 due to the number of presentational errors in the draft financial statements and is subject to agreement by the Audit Commission.

The reduction in the grant certification fees is because some grant claims previously subject to audit certification now fall outside of the Audit Commission remit, but were originally included within the planned fees. This work is in progress.

Fees for other services

Service	Fees £
None	Nil

Reports issued

Report	Date issued 2014
Audit Plan	June
Audit Findings Report	September
Certification report	Planned December
Annual Audit Letter	October



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