

The Annual Audit Letter for Barrow in Furness Borough Council

Year ended 31 March 2014

October 2014

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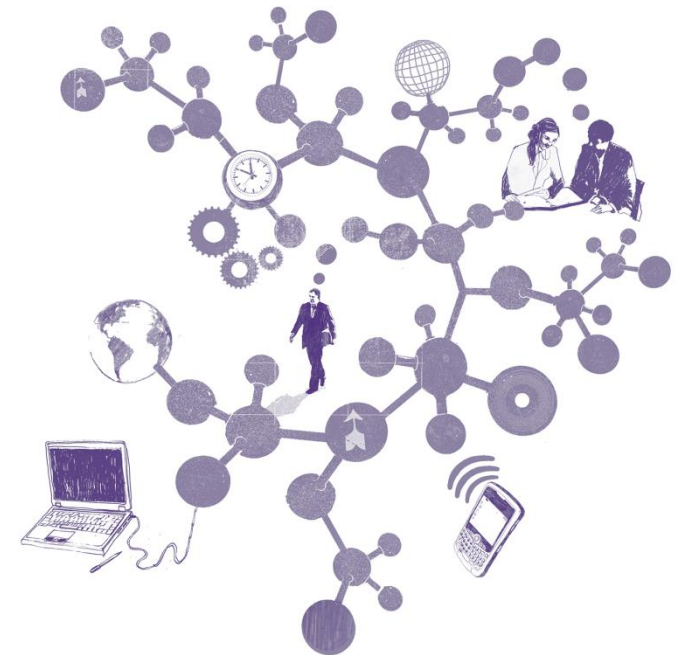
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Key messages

Our Annual Audit Letter summarises the key findings arising from the work that we have carried out at Barrow in Furness Borough 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 we issued in 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.

Financial statements audit (including audit opinion)

We reported our findings arising from the audit of the financial statements in our Audit Findings Report on 25 September 2014 to the Audit Committee. The key messages reported were:

- None of the agreed amendments to the financial statements impacted on the Council's reported financial position;
- Minor amendments were agreed to improve the content of the Explanatory Foreword and its links to other parts of the financial statements; and
- There were no significant issues or recommendations arising from our 2013/14 audit

We issued an unqualified qualified opinion on the Council's 2013/14 financial statements on 30 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.

Key messages

Value for Money (VfM) conclusion	<p>We issued an unqualified VfM conclusion for 2013/14 on 30 September 2014, concluding that the Council has:</p> <ul style="list-style-type: none">• sound financial governance arrangements and financial controls in place, supported by members who consistently provide a robust challenge to financial matters;• a well established approach to strategic financial planning, through the three year medium term financial strategy, aligned to corporate priorities;• demonstrated a track record of meeting efficiency targets and managing its revenue budget well. <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>
Whole of Government Accounts	<p>We reviewed the consolidation pack which the Council prepared to support the production of Whole of Government Accounts and confirmed this was under the audit threshold of £350 million. We reported, as required, that there were no differences between the bottom line totals for Property, Plant and Equipment (PPE) and the net pension liability recorded within the Council's balance sheet and the disclosures within the consolidation pack and no unexplained differences within the detailed disclosures.</p>
Certification of grant claims and returns	<p>Our 2013/14 grant claim programme includes two claims covered by the Audit Commission's certification regime - Housing pooled capital receipts and Housing Benefits.</p> <p>Our initial work on the Housing Benefits claim has identified a number of issues which require additional testing and is likely to result in a qualification letter.</p>

Key messages

Audit fee

Our core audit fee for the 2013/14 Barrow in Furness Borough Council audit was £68,159. This represents a £900 increase on 2012/13 to cover work 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 NNDR3 claims. The additional fee is 50% of the average fee previously charged for NNDR3 certifications for a district council and is subject to agreement by the Audit Commission. Whilst the fee for the audit increased, there was a further decrease in the grant claim fee during year due to there being no requirement to certify the NNDR 3 return.

Further detail is included within Appendix A.

Appendix A: Reports issued and fees

We confirm below the fee charged for the audit

Fees

	Per Audit plan £	Actual fees £
Audit Fee	67,259	68,159
Grant certification fee	22,300	TBC
Total fees	89,559	TBC

Our work to certify the Council's grant claim is not yet complete. We will confirm the final fee once our work is complete. There is an 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 NDR3 claims. The additional fee is 50% of the average fee previously charged for NDR3 certifications for a district council and is subject to agreement by the Audit Commission.

Reports issued

Report	Date issued
Audit Plan	June 2014
Audit Findings Report	September 2014
Annual Audit Letter	October 2014

Fees for other services

Service	Fees £
None	Nil



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