

The Annual Audit Letter for Erewash Borough Council

Year ended 31 March 2014

October 2014

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Director

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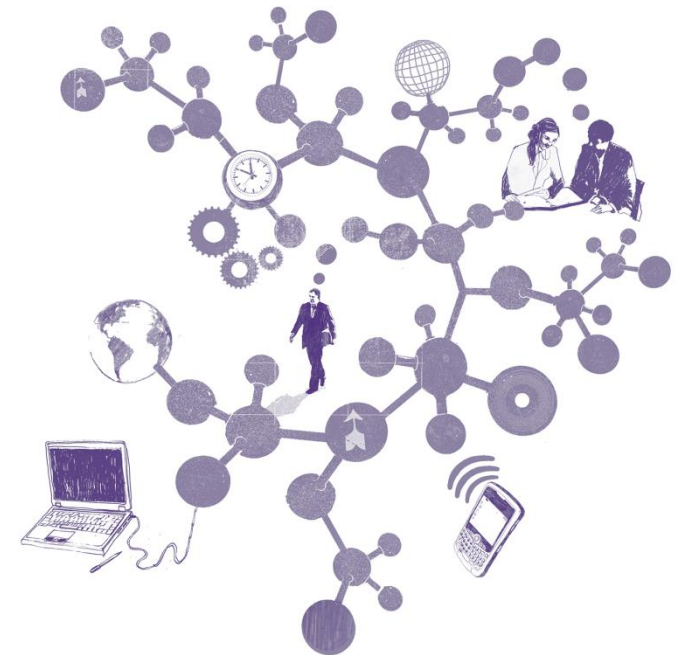
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The contents of this report relate only to those matters which came to our attention during the conduct of our normal audit procedures which are designed primarily for the purpose of expressing our opinion on the financial statements. Our audit is not designed to test all internal controls or identify all areas of control weakness. However, where, as part of our testing, we identify any control weaknesses, we will report these to you. In consequence, our work cannot be relied upon to disclose defalcations or other irregularities, or to include all possible improvements in internal control that a more extensive special examination might identify.

We do not accept any responsibility for any loss occasioned to any third party acting, or refraining from acting on the basis of the content of this report, as this report was not prepared for, nor intended for, any other purpose.

Key messages

Our Annual Audit Letter summarises the key findings arising from the work that we have carried out at Erewash 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 April 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.

Summary of audit findings

Audit area	Key findings
Financial statements audit (including audit opinion)	<p>We reported our findings arising from the audit of the financial statements in our Audit Findings Report on 23 September 2014 to the Audit Committee. The key messages reported were:</p> <ul style="list-style-type: none">• the Council's arrangements to prepare the financial statements ensured the draft accounts and supporting working papers were of a good quality• the audit did not identify any audit adjustments that affected the Council's reported financial position• the audit did identify a small number of adjustments to improve the presentation of the financial statements. <p>We issued an unqualified opinion on the Council's 2013/14 financial statements on 29 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>
Value for Money (VfM) conclusion	<p>We are required to give our VfM conclusion based on two criteria specified by the Audit Commission which support our reporting responsibilities under the Code. These criteria are:</p> <ul style="list-style-type: none">• The Council has proper arrangements in place for securing financial resilience - the Council has robust systems and processes to manage effectively financial risks and opportunities, and to secure a stable financial position that enables it to continue to operate for the foreseeable future.• The Council has proper arrangements for challenging how it secures economy, efficiency and effectiveness - the Council is prioritising its resources within tighter budgets, for example by achieving cost reductions and by improving efficiency and productivity. <p>We issued an unqualified VfM conclusion for 2013/14 on 29 September 2014. 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

Summary of audit findings

Audit area	Key findings
Whole of Government Accounts	We reviewed the consolidation pack prepared by the Council to support the production of the Government's Whole of Government Accounts. In line with our instructions, we reported that the Council was below the audit threshold level set by the National Audit Office and reviewed the worksheets specified for bodies below that audit threshold (£350million). We confirmed that the closing figures for Property, plant & equipment and Pensions liabilities in the consolidation pack were consistent with those in the Council's financial statements on 29 September 2014 in advance of the deadline.
Certification of grant claims and returns	Our work on certification of grant claims is on-going. Our work to date has not identified any issues which we wish to highlight. The indicative fee for this work remains £20,328 and will be confirmed alongside the detailed findings of our work in our Grant Certification report, due for presentation to the Audit Committee upon completion of our work.
Audit fee	Our fee for 2013/14 was £75,570 compared with the planned fee of £74,670. Further detail is included at Appendix A.
Certificate	We issued our audit certificate, confirming the 2013/14 audit is closed, on 29 September 2014.

Appendix A: Reports issued and fees

We confirm below the fee charged for the audit and provision of non-audit services

Fees

	Per Audit plan £	Actual fees £
Audit Fee	74,670	75,570
Grant certification fee (estimated)	20,328	20,328
Total fees	94,998	95,898

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.

Fees for other services

Service	Fees £
None	Nil

Reports issued

Report	Month issued
Audit Plan	April 2014
Audit Findings Report	September 2014
Annual Audit Letter	October 2014
Certification Report	December 2014 (planned)



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