



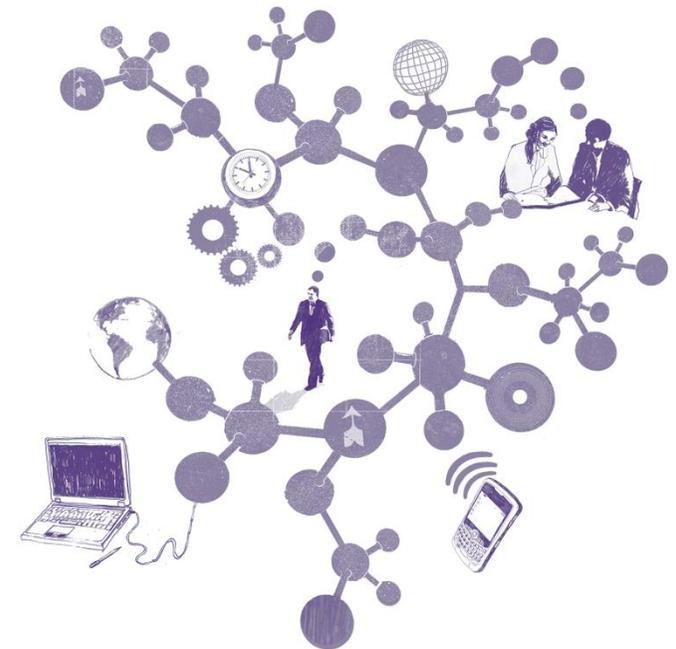
The Annual Audit Letter for South Ribble Borough Council

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 South Ribble 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 10th April 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)	<p>We reported our findings arising from the audit of the financial statements in our Audit Findings Report on 24th September to the Governance Committee. The key messages reported were:</p> <ul style="list-style-type: none">• we identified no adjustments affecting the Council's reported financial position• the audit identified one material misstatements which management agreed to amend. This related to the accounting requirements for the introduction of changed arrangements for IAS19 costs. We also agreed some minor amendments to disclosure notes within the accounts. <p>We issued an unqualified opinion on the Council's 2013/14 financial statements 24rd September 2014, meeting the deadline set by the Department for Communities and Local Government. Our opinion confirmed that the financial statements gave 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 issued an unqualified VfM conclusion for 2013/14 on 24th September 2014.</p> <p>On the basis of our work, and having regard to the guidance on the specified criteria published by the Audit Commission, we were satisfied that in all significant respects the Council had put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ending 31 March 2014.</p> <p>The Council has sound financial governance arrangements and financial controls in place. This is supported by</p>

Key messages

Value for Money (VfM) conclusion	<p>members who consistently provide a robust challenge to financial matters. There is also a well established approach to strategic financial planning, through the three year medium term financial strategy, which is aligned to the corporate priorities of the Council.</p> <p>Along with many other councils, South Ribble continues to operate within an increasingly challenging financial environment. However, against this backdrop the Council has demonstrated a track record of meeting efficiency targets and managing its revenue budget well. The Council continues to have a healthy level of reserves and balances and uses these to alleviate pressures in the short term, which allows the Council to have time to develop appropriate solutions to meet future challenges.</p> <p>The Council continues to adopt a flexible and challenging approach to the way it delivers its services. The Council has a good understanding of its costs and this enables it to make informed decisions based on accurate information. Going forward, over the next three years to 2017/18, the Council forecasts a significant budget gap of £2.102m. It is important that the Council continues to remain focused and continually challenge its existing ways of delivering services to identify is further efficiencies can be gained.</p>
Whole of Government Accounts	<p>We confirmed that the Council's income, expenditure, assets and liabilities in the consolidation pack, which the Council prepared to support the production of the Whole of Government Accounts, were below the audit threshold of £350m. As a result we confirmed, only, as required, that the amounts in the pack for Property, Plant and Equipment and the net Pensions Liability were consistent with the amounts in the financial statements, and were otherwise not required to review the pack.</p>
Certification of grant claims and returns	<p>We are currently auditing the Council's Housing Benefit Grant Claim. The Council has good arrangements in place for submitting claims to be certified by us in line with the recognised deadlines. The claim is supported by appropriate evidence and staff have responded promptly to any queries raised by us.</p>
Audit fee	<p>Our fee for 2013/14 is £68,068, including an estimated grants certification fee of £9,504. Further detail is provided in Appendix A.</p>

Appendix A: Reports issued and fees

We confirm below the fee charged for the audit.

Fees

	Per Audit plan £	Actual fees £
Audit Fee*	57,664	58,564
Grant certification fee **	12,100	9,504
Total fees	69,764	68,068

* During the year there was a one off fee rebate issued by the Audit Commission of £7,891 which reduced the Council's net audit fee for the year. The rebate is not reflected in the above figures which are shown gross of the rebate. 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 NDR3 claims. The additional fee is 50% of the average fee previously charged for NDR3 certifications for district councils and has been agreed by the Audit Commission.

**The 'actual' grant certification fee is estimated, based on the latest indicative fees published by the Audit Commission, which reflects the removal of the requirement to certify the NDR3 return

Fees for other services

Service	Fees £
None	Nil

Reports issued

Report	Date issued
Audit Plan	April 2014
Audit Findings Report	September 2014
Financial Ratios Benchmarking Report	October 2014
Annual Audit Letter	October 2014



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