



The Annual Audit Letter for South Ribble Borough Council

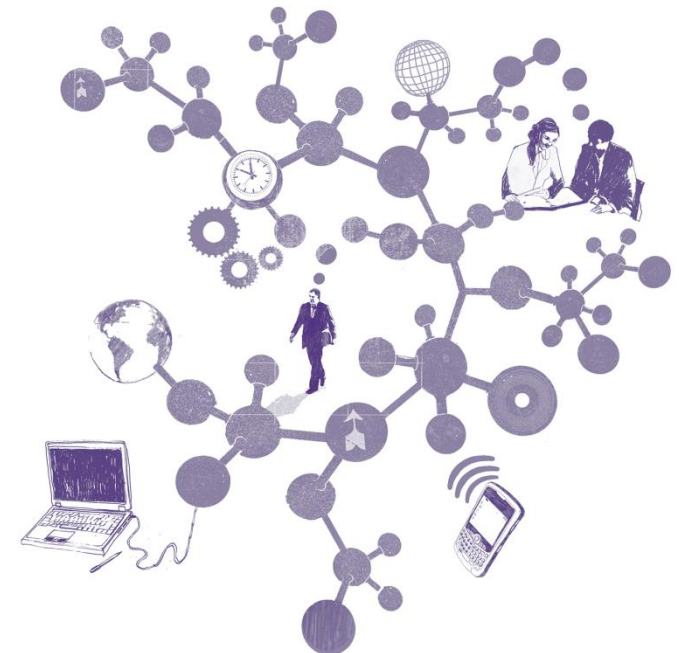
Year ended 31 March 2015

October 2015

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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 2015.

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 March 2015 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 and Public Sector Audit Appointments Limited.

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 23rd September 2015 to the Governance Committee. The key messages reported were:</p> <ul style="list-style-type: none">• we did not identify any adjustments to the accounts affecting the Council's reported financial position• a number of amendments were made to improve the classification and disclosure of the notes to the accounts. <p>We issued an unqualified opinion on the Council's 2014/15 financial statements on 30th September 2015, 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>Our work on financial resilience has concluded that the Council is performing well, has sound financial governance arrangement and financial controls in place. The Council's efficiency target of £0.410m was exceeded by £0.056m, which was a significant achievement given the current public sector climate.</p> <p>The Council continues to challenge the way it delivers its services driving out any inefficiencies, whilst providing good services to the residents of South Ribble. The Council understands its costs which enables it to make informed decisions based on accurate information to drive its Corporate Plan.</p>

Key messages continued

Value for Money (VfM) conclusion	<p>The Council has a significant budget gap up to 2018/19 which is currently estimated at £1.2m assuming that the budgeted efficiency programmes in 2015/16 and 2016/17 will be delivered. The forecast budget shortfall in 2017/18 is £1.07m rising to £1.26m in 2018/19. The Council recognises the significant financial challenges and budgetary pressures that currently operate, the majority of which are down to external influencing factors that are impossible to control. Nevertheless the Council does have a good track record of delivering savings, which is assisted by the legacy of having a prudent approach to financial planning, which has seen it accumulate a healthy level of reserves.</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 2015. We issued an unqualified VfM conclusion for 2014/15 on 30th September 2015.</p>
Certification of housing benefit grant claim	<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 the audit for 2014/15 was £57,664 in line with our audit plan issued in April 2015. Subsequently the Council received a rebate issued by the Audit Commission of £5,926.</p>

Appendix A: Reports issued and fees

We confirm below the fees charged for the audit and non-audit services.

Fees for audit services

	Per Audit plan £	Actual fees £
Council audit	57,664	57,664
Less rebate*		(5,926)
Housing benefit grant certification fee	9,290	**9,290
Total audit fees	66,954	57,664

* a rebate of £5,926 was issued by the Audit Commission in October 2014

** housing benefit certification work is on-going and the audit fee may vary in the unlikelyhood of significant issues being identified

Fees for other services

Service	Fees £
Audit related services	Nil
Non-audit related services	Nil

Reports issued

Report	Date issued
Certification Letter	January 2015
Audit Plan	March 2015
Audit Findings Report	September 2015
Annual Audit Letter	October 2015



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