



*cutting through complexity™*

# Annual Audit Letter 2014/15

Harborough District Council

October 2015

**The contacts at KPMG in connection with this report are:**

**Tony Crawley**

*Engagement Lead*

*KPMG LLP (UK)*

Tel: 0116 256 6067

Mob: 07966 184819

[Tony.Crawley@kpmg.co.uk](mailto:Tony.Crawley@kpmg.co.uk)

**Deborah Stokes**

*Manager*

*KPMG LLP (UK)*

Tel: 0121 609 5914

Mob: 07551 135715

[Deborah.stokes@kpmg.co.uk](mailto:Deborah.stokes@kpmg.co.uk)

**Vikash Patel**

*Assistant Manager*

*KPMG LLP (UK)*

Tel: 0116 256 6069

Mob: 07974 750755

[Vikash.Patel@kpmg.co.uk](mailto:Vikash.Patel@kpmg.co.uk)

## Report sections

- Headlines

**Page**

2

## Appendices

1. Summary of reports issued
2. Audit fees

3

4

This report is addressed to the Authority and has been prepared for the sole use of the Authority. We take no responsibility to any member of staff acting in their individual capacities, or to third parties. The Audit Commission issued a document entitled *Statement of Responsibilities of Auditors and Audited Bodies* summarising where the responsibilities of auditors begin and end and what is expected from audited bodies. We draw your attention to this document which is available on Public Sector Audit Appointment's website ([www.psa.co.uk](http://www.psa.co.uk)).

External auditors do not act as a substitute for the audited body's own responsibility for putting in place proper arrangements to ensure that public business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively.

We are committed to providing you with a high quality service. If you have any concerns or are dissatisfied with any part of KPMG's work, in the first instance you should contact the engagement lead, Tony Crawley, to the Authority, who will try to resolve your complaint. If you are dissatisfied with your response please contact the national lead partner for all of KPMG's work under our contract with Public Sector Audit Appointments Limited, Trevor Rees (on 0161 246 4000, or by email to [trevor.rees@kpmg.co.uk](mailto:trevor.rees@kpmg.co.uk)). After this, if you are still dissatisfied with how your complaint has been handled you can access PSAA's complaints procedure by emailing [generalenquiries@psaa.co.uk](mailto:generalenquiries@psaa.co.uk), by telephoning 020 7072 7445 or by writing to Public Sector Audit Appointments Limited, 3rd Floor, Local Government House, Smith Square, London, SW1P 3HZ.

**This report summarises the key findings from our 2014/15 audit of Harborough District Council (the Authority).**

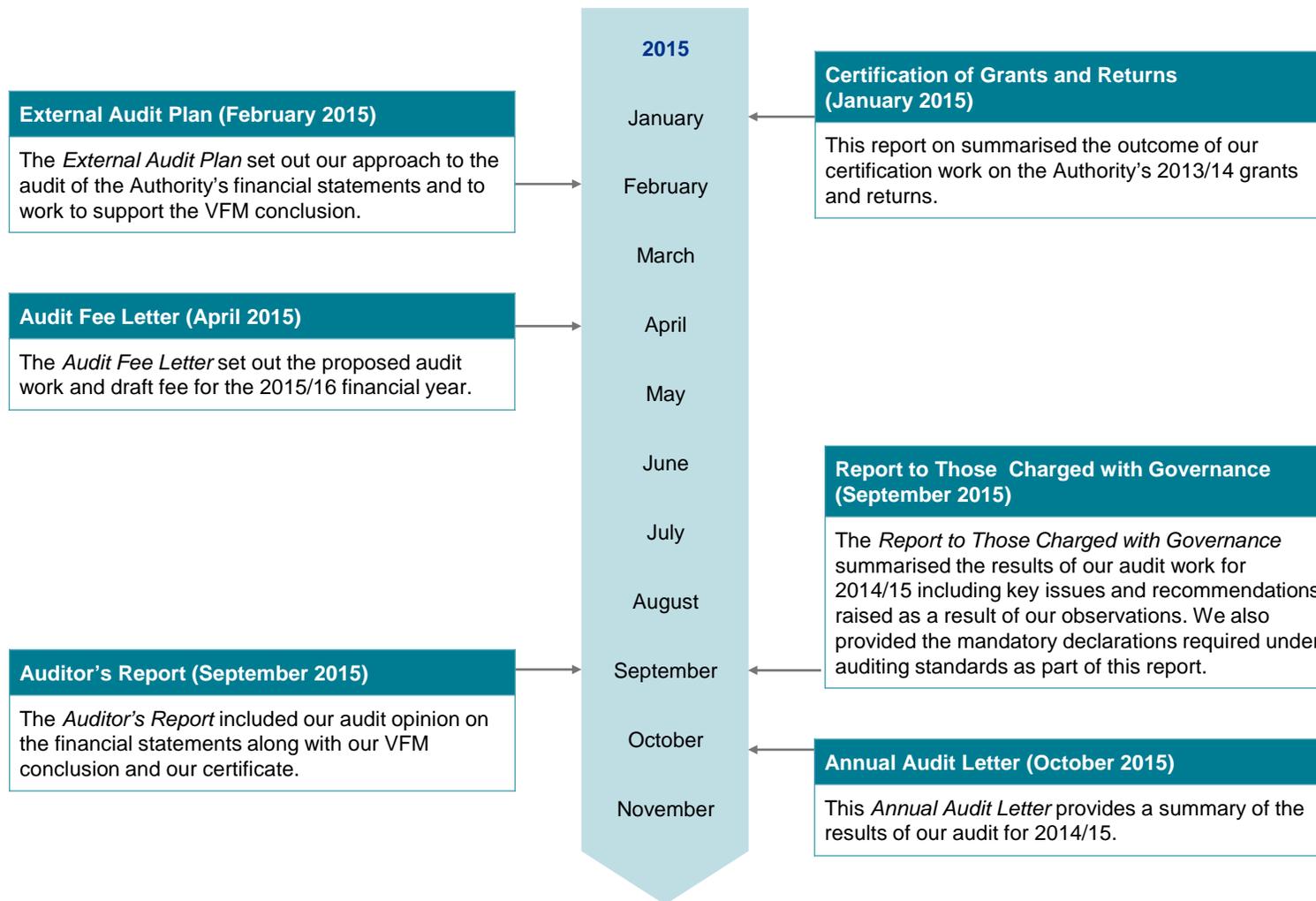
**Although this letter is addressed to the Members of the Authority, it is also intended to communicate these issues to key external stakeholders, including members of the public.**

**Our audit covers the audit of the Authority's 2014/15 financial statements and the 2014/15 VFM conclusion.**

<b>VFM conclusion</b>	<p>We issued an unqualified conclusion on the Authority's arrangements to secure value for money (VFM conclusion) for 2014/15 on 29 September 2015. This means we are satisfied that that Authority had proper arrangements for securing financial resilience and challenging how it secures economy, efficiency and effectiveness.</p> <p>To arrive at our conclusion we looked at the Authority's financial governance, financial planning and financial control processes, as well as the arrangements for prioritising resources and improving efficiency and productivity.</p>
<b>Audit opinion</b>	<p>We issued an unqualified opinion on the Authority's financial statements on 29 September 2015. This means that we believe the financial statements give a true and fair view of the financial position of the Authority and of its expenditure and income for the year.</p>
<b>Financial statements audit</b>	<p>Our audit identified a number of presentational and disclosure adjustments which were amended by the Authority. In addition, we identified a significant number of audit adjustments as noted in our ISA 260.</p> <p>The Authority has good processes in place for the production of the financial statements. Officers dealt efficiently with audit queries and the audit process was completed within the planned timescale. We identified further improvements that could be made and in particular in relation to the bank reconciliations and raised a recommendation in our ISA 260.</p>
<b>Annual Governance Statement</b>	<p>We reviewed your Annual Governance Statement and concluded that it was consistent with our understanding.</p>
<b>Whole of Government Accounts</b>	<p>Harborough District Council fell below the threshold therefore no testing was required.</p>
<b>Certificate</b>	<p>We issued our certificate on 29 September 2015. The certificate confirms that we have concluded the audit for 2014/15 in accordance with the requirements of the <i>Audit Commission Act 1998</i> and the <i>Audit Commission's Code of Audit Practice</i>.</p>
<b>Audit fee</b>	<p>Our proposed external audit fee for 2014/15 is £58,882 (excluding VAT), which includes an additional charge of £3,000 for the final accounts audit which was agreed with Officers on 15 October 2015 and is subject to final approval by Public Sector Audit Appointments Ltd (PSAA). The fee for the certification of grants claims will be finalised on completion of the audit work. Further detail is included in Appendix 2.</p>

## Appendix 1 Summary of reports issued

This appendix summarises the reports we issued since our last *Annual Audit Letter*.



This appendix provides information on our final fees for the 2014/15 audit.

To ensure transparency about the extent of our fee relationship with the Authority we have summarised below the outturn against the 2014/15 planned audit fee.

### External audit

Our final proposed fee for the 2014/15 audit Harborough District Council was £58,882. This compares to a planned fee of £55,882. The reasons for this variance is as a result of:

- An increased fee for the audit of the financial statements of £3,000 over and above our initial estimate. This was approved on 15 October by Officers, however we are still awaiting PSAA approval.

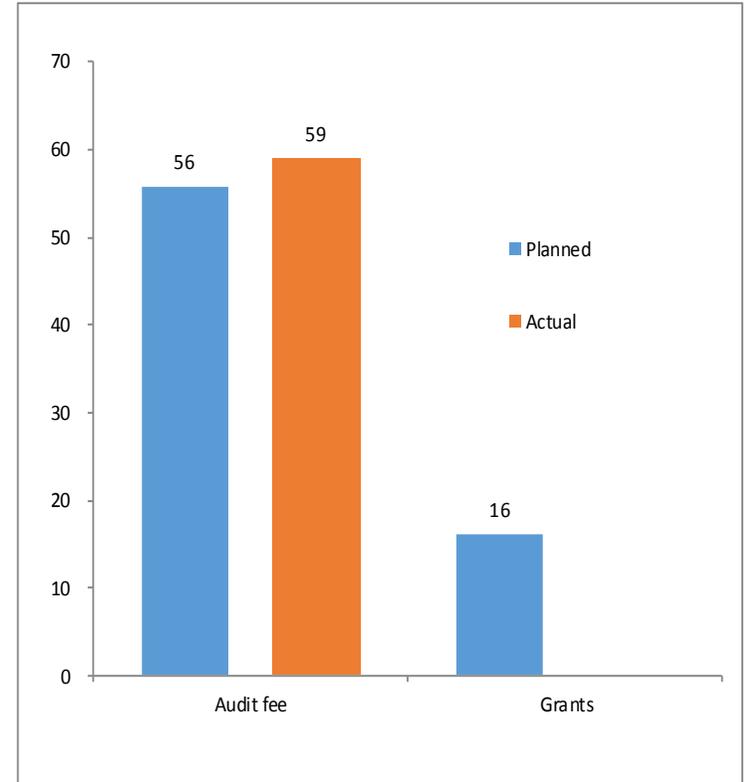
### Certification of grants and returns

Under our terms of engagement with PSAA, we undertake prescribed work in order to certify the Authority's housing benefit grant claim. This certification work is still ongoing. The planned fee for this work is £16,270. The final fee will be confirmed through our reporting on the outcome of that work in January 2016.

### Other services

We did not charge any additional fees for other services.

External audit fees 2014/15 (£'000)





*cutting through complexity™*

© 2015 KPMG LLP, a UK public limited liability partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative, a Swiss entity. All rights reserved.

The KPMG name, logo and 'cutting through complexity' are registered trademarks or trademarks of KPMG International Cooperative (KPMG International).