



Annual Audit Letter 2015/16

Harborough District Council

October 2016



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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. Public Sector Audit Appointments 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.psaa.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 Tony Crawley, the engagement lead 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, Andrew Sayers (andrew.sayers@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, by telephoning 020 7072 7445 or by writing to Public Sector Audit Appointments Limited, 3rd Floor, Local Government House, Smith Square, London, SW1P 3HZ.

Section one

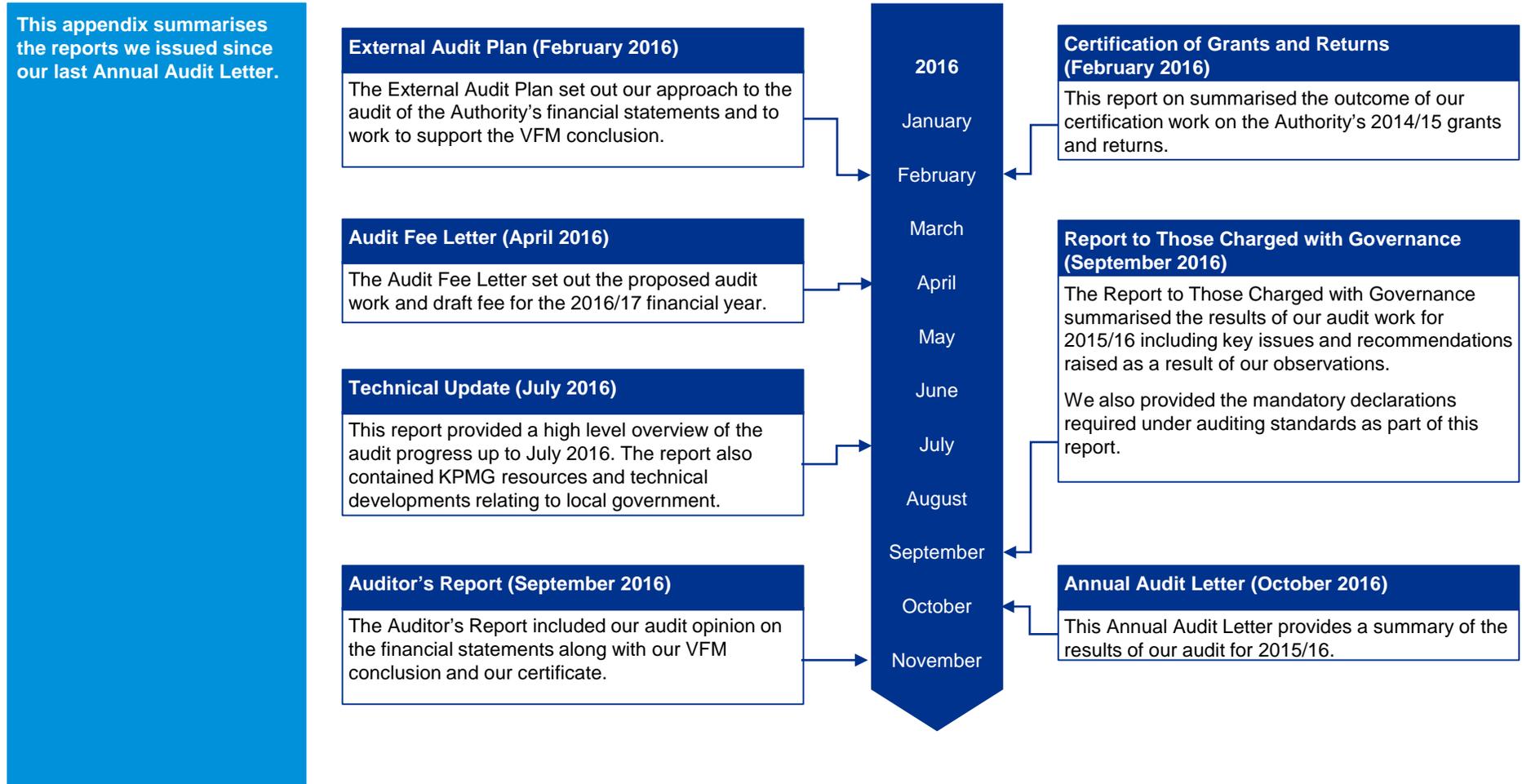
Headlines

This Annual Audit Letter summarises the outcome from our audit work at Harborough District Council in relation to their 2015/16 audit year.

Although it is addressed to Members of the Authority, it is also intended to communicate these key messages to key external stakeholders, including members of the public, and will be placed on the Authority's website.

VFM conclusion	<p>We issued an unqualified conclusion on the Authority's arrangements to secure value for money (VFM conclusion) for 2015/16 on 29 September 2016. This means we are satisfied that during the year that Authority had proper arrangements for informed decision making, sustainable resource deployment and working with partners and third parties.</p> <p>We undertook a risk assessment as part of our VFM audit work to identify the key areas impacting on our VFM conclusion and considered the arrangements in place to mitigate these risks.</p> <p>We have considered the Authority's arrangements for securing financial resilience. We considered the robustness of the Medium Term Financial Strategy and whether the assumptions around income and expenditure are appropriate. We reviewed the Authority's outturn report for 2015/16 and considered the achievement of the growth and savings plans. The Authority achieved an underspend of £990k recorded against the revised 2015/16 budget. Although the Authority has not formally reported on achievement of the growth and savings plans, the reported underspend indicates that it has been successful in achieving income growth and savings.</p> <p>The Authority is also continuing to develop its Local Plan, which sets the long term development strategy for the area, in line with a revised timetable, following delays in the process due to a need to obtain additional evidence.</p>
Audit opinion	<p>We issued an unqualified opinion on the Authority's financial statements on 29 September 2016. This means that we believe the financial statements give a true and fair view of its financial position and of its expenditure and income for the year.</p>
Financial statements audit	<p>We did not identify any issues in the course of our audit that are considered to be material.</p> <p>The Authority has good processes in place for the production of the accounts and good quality working papers. Officers dealt efficiently with audit queries and the audit process has been completed within the planned timescales.</p>
Annual Governance Statement	<p>We reviewed your Annual Governance Statement and concluded that it was consistent with our understanding.</p>
Whole of Government Accounts	<p>The Authority prepares a consolidation pack to support the production of Whole of Government Accounts by HM Treasury. We are not required to review your pack in detail as you fall below the threshold where an audit is required. As required by the guidance we have confirmed this with the National Audit Office.</p>
Certificate	<p>We issued our certificate on 29 September 2016. The certificate confirms that we have concluded the audit for 2015/16 in accordance with the requirements of the Local Audit & Accountability Act 2014 and the Code of Audit Practice.</p>
Audit fee	<p>Our fee for 2015/16 was £41,912, excluding VAT. This fee was in line with that highlighted within our audit plan agreed by the Governance and Audit Committee in February 2016. Further detail is contained in Appendix 2.</p>

Appendix 1: Summary of reports issued



Appendix 2: Audit fees

This appendix provides information on our final fees for the 2015/16 audit.

To ensure transparency about the extent of our fee relationship with the Authority we have summarised below the outturn against the 2015/16 planned audit fee.

External audit

Our final fee for the 2015/16 audit of Harborough District Council was £41,912 excluding VAT, which is in line with the planned fee.

Certification of grants and returns

Under our terms of engagement with Public Sector Audit Appointments we undertake prescribed work in order to certify the Authority's housing benefit grant claim. This certification work is still ongoing. The final fee will be confirmed through our reporting on the outcome of that work, which we will present to the Governance and Audit Committee in March 2017.

Other services

We did not charge any additional fees for other services.



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