

The Annual Audit Letter for Gravesham Borough Council

Year ended 31 March 2014

October 2014

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Director

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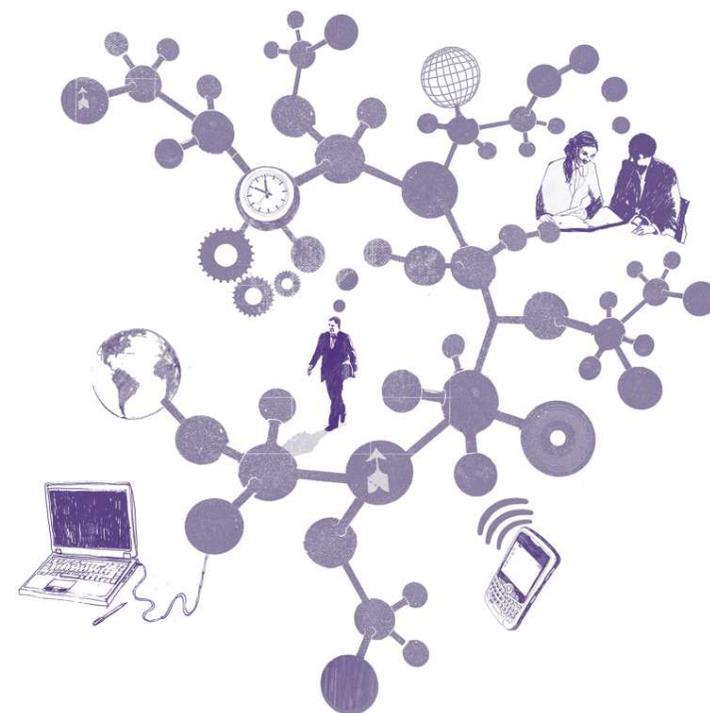
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Key messages

Our Annual Audit Letter summarises the key findings arising from the work that we have carried out at Gravesham 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 dated May 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.

Financial statements audit (including audit opinion)

We reported our findings arising from the audit of the financial statements in our Audit Findings Report on 17 September 2014 to the Audit Committee. The key messages were:

- the Council's reported financial position remains unchanged following our audit
- a greater number of adjustments to the financial statements, some of which were material, were required this year compared with the prior year
- the errors identified took additional time and resources to resolve
- looking forward to next year the Council's quality assurance process needs to be enhanced to improve the quality of the draft accounts and working papers.

We issued a letter to the Chair of the Finance and Audit Committee on 30 September 2014 setting out further adjustments to the financial statements that had been identified since the Audit Findings Report had been issued. None of the further adjustments affected the Council's reported financial position

We issued an unqualified opinion on the Council's 2013/14 financial statements on 1 October 2014, a day after the deadline set by the Department for Communities and Local Government of 30 September. The delay was due to processing the final adjustments to the financial statements, some of which were technically complex. 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.

We will work with officers to help ensure that the lessons learnt from this year's audit of the financial statements lead to improvements in 2014/15.

Key messages

Value for Money (VfM) conclusion	<p>We issued an unqualified VfM conclusion for 2013/14 on 1 October 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 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>
Whole of Government Accounts	<p>The Whole of Government Accounts (WGA) audit threshold, set by the National Audit Office (NAO), for 2013/14 was £350m. The Council was below this threshold. Therefore the only audit requirement was to identify if there were any differences between the Property, Plant and Equipment and Pensions disclosures in the WGA pack and the Council's audited financial statements. We reported to the NAO on the total differences due to Property, Plant and Equipment adjustments made in the Council's audited financial statements.</p>
Certification of grant claims and returns	<p>We are required to certify two returns this year. We have certified the pooling of housing capital receipts return by the due deadline without amendment or qualification. We are currently completing our work on the Housing Benefits Subsidy return and anticipate being able to certify the claim by the deadline of 30 November 2014.</p>
Audit fee	<p>Detail on fees for the year are included in appendix A.</p>

Appendix A: Reports issued and fees

Fees

	Per Audit plan £	Actual fees £
Audit Fee	70,159	TBC ¹
Grant certification fee	19,759	TBC ²
Total fees	89,918	TBC ²

1. As reported earlier, the audit inputs have been greater than planned due to the range of issues identified during the audit. We are currently finalising this in discussion with officers. The actual fee will also incorporate a fee variation of £900 agreed by the Audit Commission for all district councils to reflect additional work required on business rates.

2. To be confirmed at the conclusion of the grant certification work.

Fees for other services

Service	Fees £
None	Nil

Reports issued

Report	Date issued
Audit Plan	May 2014
Audit Findings Report	September 2014
Certification report	Planned – January 2015
Annual Audit Letter	October 2014



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