

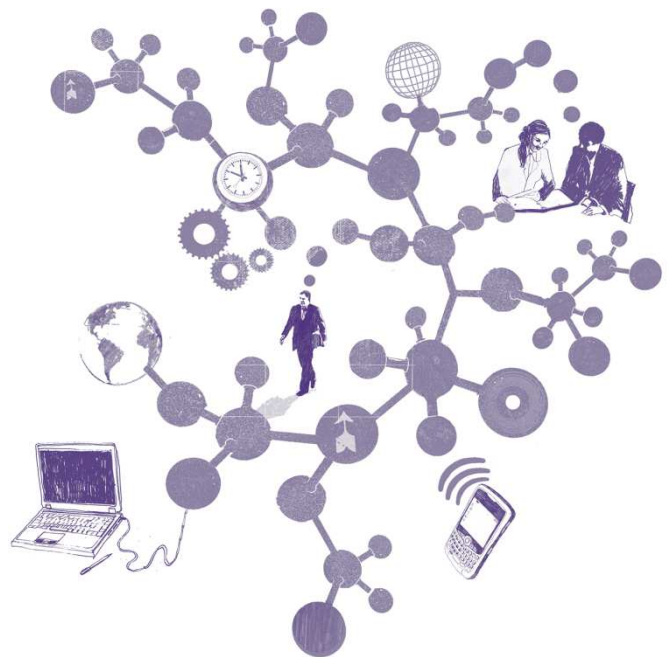
The Annual Audit Letter for Dover District Council

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 Dover District Council (the Council) for the year ended 31 March 2014.

The Annual Audit 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 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.

<p>Financial statements audit (including audit opinion)</p>	<p>We reported our findings arising from the audit of the financial statements in our Audit Findings Report on 25 September 2014 to the Governance Committee. The key messages reported were:</p> <ul style="list-style-type: none"> • the accounts were prepared on time and to a good standard; • staff responded quickly and efficiently to all audit queries; and • the adjustments made to the draft statements were largely in relation to improvements in presentation and disclosure. <p>We issued an unqualified opinion on the Council's 2013/14 financial statements on 29 September 2014, 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>
<p>Value for Money (VfM) conclusion</p>	<p>We issued an unqualified VfM conclusion for 2013/14 on 29 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 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>
<p>Whole of Government Accounts (WGA)</p>	<p>The specified figures in the Council's financial statements fell below the audit threshold specified by the National Audit Office (NAO), therefore a detailed review of the WGA consolidation pack was not required.</p> <p>We were required to check whether there were any inconsistencies between the audited statutory accounts and the WGA consolidation pack in respect of the IAS19 pensions liability and Property, Plant and Equipment. We did not identify any inconsistencies in this information and reported this to the NAO.</p>

Key messages (cont.)

Certification of grant claims and returns	<p>We have certified one grant claim, Pooling of Capital Receipts, without amendment. Our work on Housing Benefit Subsidy for 2013/14 is in progress and will be completed by the end November, in accordance with the certification deadline.</p> <p>The results of this work will be reported in our Annual Report on Grant Claim Certification.</p>
Audit fee	<p>Our fee for 2013/14 was £71,580, excluding VAT and was £900 greater than our fee for 2012/13 and our planned fee for the year. The increase reflects the additional work required to gain assurance over non domestic rates, which in previous years was covered by the certification of the NNDR return.</p> <p>Further detail is included within Appendix B.</p>

Appendix A: Key issues and recommendations

This appendix summarised the significant recommendations identified during the 2013/14 audit.

No.	Issue and recommendation	Priority	Management response/ responsible officer/ due date
1.	<p>The implementation of the e-financials upgrade has delayed progress to bring the bank reconciliation up-to date.</p> <p>Recommendation: The Council should ensure the bank reconciliation is kept up to date on a monthly basis and any on-going variances are cleared.</p>	Deficiency	<p>Resources have been committed to the process and the backlog is in the process of being cleared.</p> <p>Responsible officer: Head of Finance Due date: December 2014</p>
2.	<p>The Council do not currently take the corporate risk register to its Governance Committee. This is recognised good practice and provides a high level assessment of completeness and progress.</p> <p>Recommendation: The Council's Governance Committee should regularly review the corporate risk register to confirm it is complete and that appropriate action is being taken to mitigate the key risks.</p>	Deficiency	<p>The Council will review its reporting and monitoring arrangements to ensure they are appropriate.</p> <p>Responsible officer: Head of Corporate Services Due date: December 2014</p>
3.	<p>In accordance with the Code, the Council needs to satisfy itself that the value of assets in its balance sheet is not materially different from the amount that would be given by a full valuation carried out on 31 March 2014. For 2013/14, this review was not complete at the start of our audit of the accounts.</p> <p>Recommendation: The Council should ensure that detailed working papers are obtained from the valuer in order to satisfy itself that the value of assets in its balance sheet is not materially different from the amount that would be given by a full valuation at the year end.</p>	Deficiency	<p>The process will be built into the 2014/15 closedown timetable.</p> <p>Responsible office: Head of Finance Due date: March 2015</p>
4	<p>There is currently a difference of £101,000 on the reconciliation of the LOBO borrowing which dates back a number of years.</p> <p>Recommendation: The Council should ensure that the variance on the LOBO account is reviewed and cleared.</p>	Deficiency	<p>The Council will review this discrepancy in 2014/15.</p> <p>Responsible office: Head of Finance Due date: March 2015</p>

Appendix B: Reports issued and fees

We confirm below the fee charged for the audit and confirm there were no fees for the provision of non audit services.

Fees

	Per Audit plan	Actual fees
	£	£
Audit Fee	70,680	71,580*
Grant certification fee	19,200	16,956** (expected)
Total fees	89,880	88,536

Fees for other services

	Actual fees
	£
None	Nil

Certification work is on-going. The final fee will be reported to the Governance Committee in our annual certification report.

*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 Council's and is subject to agreement by the Audit Commission.

**The £2,244 expected reduction in grant certification scale fee relates to the removal of the external certification requirement for Council Tax Benefits and the NNDR3 return.

Reports issued

Report	Date issued
Audit Plan	March 2014
Audit Findings Report	September 2014
Certification report	Due December 2014
Annual Audit Letter	October 2014



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