

The Annual Audit Letter for Thanet District Council

Year ended 31 March 2014

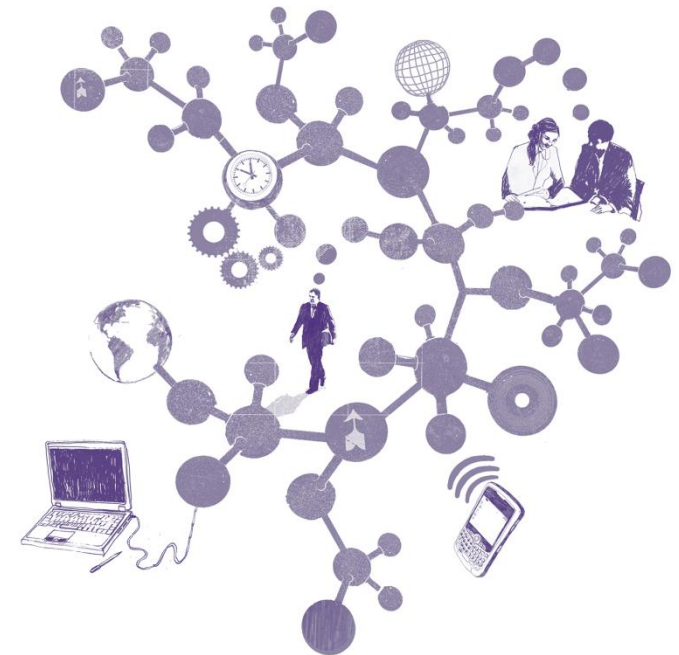
27 October 2014

Andy Mack

Director
T 020 7728 3299
E andy.l.mack@uk.gt.com

Terry Blackman

Audit Manager
T 0207 728 3194
E terry.blackman@uk.gt.com



Contents

Section	Page
1. Key messages	3
Appendices	
A Key issues and recommendations	
B Summary of reports and audit fees	

Key messages

Our Annual Audit Letter summarises the key findings arising from the work that we have carried out at Thanet District 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 that we issued 31 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.

Financial statements audit (including audit opinion)

We reported our findings arising from the audit of the financial statements in our Audit Findings Report on 24 September to the Audit Committee. The key messages reported were:

- We did not identify any adjustments affecting the Council's reported financial position, although a number of balances in individual supporting notes were amended, along with a number of adjustments to improve the presentation of the financial statements.
- The finance team continued to prepare the accounts to a good overall standard supported by comprehensive working papers.

We issued an unqualified opinion on the Council's 2013/14 financial statements 25 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.

Key messages

Value for Money (VfM) conclusion	<p>Our review of the Council's arrangements to secure economy, efficiency and effectiveness found that that the Council has continued to maintain sound financial management arrangements. It has managed its budget well, delivered planned efficiencies for 2013/14 and increased its usable reserves by £1.8m which will provide resilience for the future. The updated Medium Term Financial Plan projects a balanced financial position through to 2017/18, albeit this will require year on year budget reductions in excess of £1m per annum for the next four years.</p> <p>During 2013/14 the behaviour of some Members, as documented in the April 2014 Corporate Peer Challenge, fell below acceptable standards. As a consequence we were unable to conclude that, during 2013/14, the Council had adequate arrangements for promoting and demonstrating the principles and values of good governance.</p> <p>On the basis of our work, having regard to the guidance on the specified criteria published by the Audit Commission in October 2013, with the exception of the matter reported above, we were satisfied that in all significant respects Thanet District 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>We reviewed the consolidation pack which the Council prepared to support the production of Whole of Government Accounts. We reported that the Council's pack was consistent with the audited financial statements.</p>
Certification of grant claims and returns	<p>Two returns required certification under the Audit Commission. We certified the Pooling of Housing Capital Receipts return on 25 September 2014. Our work on the Housing Benefit Subsidy return is nearing completion.</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 office/ due date
1.	Whilst the Council has made a good start in responding to the Corporate Peer Challenge, it is vital that it continues to respond proactively to the issues raised in the April 2014 report, so that it can clearly evidence that the principles of good governance have been re-established across the Council.	High	<p>The peer review recommendations are being taken forward urgently, working with the Improvement Board.</p> <p>In the area of member behaviour the Council Members intend to demonstrate respect for the views of others; professional debate and willingness to listen to contrary opinions; and respect for the advice of statutory officers.</p> <p>Responsible officer: Leader of the Council and Chief Executive. Due date: By 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	87,945	88,845*
Grant certification fee	35,280	TBC**
Total fees	123,225	TBC**

*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 Non Domestic Rate (NDR) returns. The additional fee is 50% of the average fee previously charged for NDR3 certifications for District Councils and is subject to agreement by the Audit Commission.

** As our work on the Housing Benefit Subsidy return has not yet been completed, we are not yet in a position to confirm the final fee for grant certification.

Fees for other services

Service	Fees £
None	Nil

Reports issued

Report	Date issued
Audit Plan	March 2014
Audit Findings Report	September 2014
Certification report	[Work not yet complete]
Annual Audit Letter	October 2014



© 2014 Grant Thornton UK LLP. All rights reserved.

'Grant Thornton' means Grant Thornton UK LLP, a limited liability partnership.

Grant Thornton is a member firm of Grant Thornton International Ltd (Grant Thornton International). References to 'Grant Thornton' are to the brand under which the Grant Thornton member firms operate and refer to one or more member firms, as the context requires. Grant Thornton International and the member firms are not a worldwide partnership. Services are delivered independently by member firms, which are not responsible for the services or activities of one another. Grant Thornton International does not provide services to clients.

grant-thornton.co.uk