

The Annual Audit Letter for Thanet District Council

Year ended 31 March 2015

October 2015

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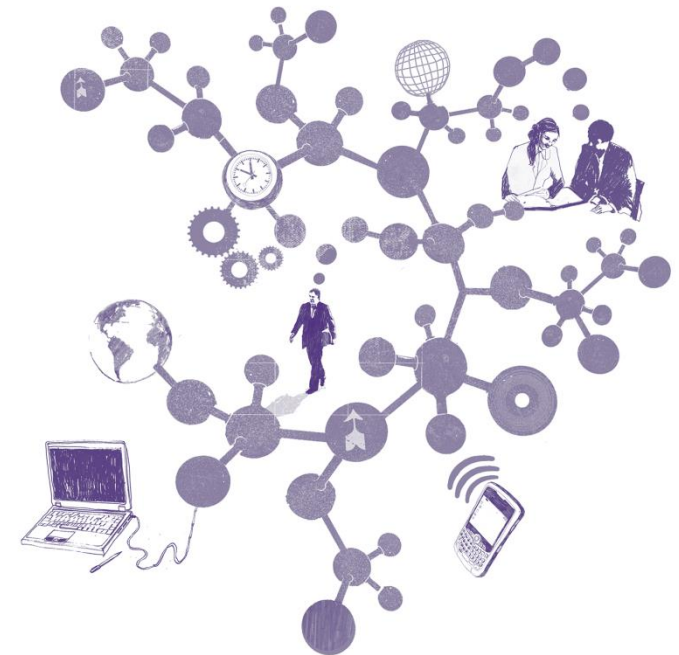
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Key messages

Our Annual Audit Letter summarises the key findings arising from the work that we have carried out at Thanet District Council ('the Council') for the year ended 31 March 2015.

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 in March 2015 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 and Public Sector Audit Appointments Limited.

Financial statements audit (including audit opinion)	<p>We reported our findings arising from the audit of the financial statements in our Audit Findings Report on 19 September 2015 to the Governance and Audit Committee. The key messages reported were:</p> <ul style="list-style-type: none">• The finance team continued to prepare the accounts to a good overall standard supported by comprehensive working papers'• The audit trail for operating expenditure, however, proved to be overly complex and the Council's reported expenditure was time-consuming to audit as a result. This needs to be addressed as the Council prepares to meet the earlier accounts opinion deadline of 31 July to be introduced in 2017/18. <p>We issued an unqualified opinion on the Council's 2014/15 financial statements on 29 September 2015, meeting the deadline set by the Department for Communities and Local Government. Our opinion confirmed that the financial statements gave a true and fair view of the financial position and of the income and expenditure recorded by the Council.</p>
Value for Money (VfM) conclusion	<p>We issued an unqualified VfM conclusion for 2014/15 on 29 September 2015. On the basis of our work, and having regard to the guidance on the specified criteria published by the Audit Commission, we were satisfied that in all significant respects the Council had put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ending 31 March 2015.</p> <p>In 2013/14 we qualified the value for money conclusion due to inadequate arrangements to promote and demonstrate the principles and values of good governance. This was primarily due to findings of the Local Government Association CPC reported in April 2014. The Council has put in place a number of measures to address the findings of the CPC and we have noted the following progress during 2014/15.</p> <p><i>[Continued overleaf]</i></p>

Key messages

<p>Value for Money (VfM) conclusion (continued)</p>	<ul style="list-style-type: none"> • The Improvement Board has met monthly, and its work has been acknowledged by its Chair, leading members and senior officers in our interviews with them to have been of significant value in addressing the issues reported by the LGA. • A member/officer protocol has been developed to address the concerns of the CPC and foster co-operative and supportive working environment, and there has been an acknowledged improvement in working relations. • Equalities training has been delivered to councillors, and significant effort has been put into the induction of the large number of new members elected in May 2015. <p>In our view the above developments provide sufficient evidence to justify no longer qualifying the conclusion. However, we do not contend that there are no signs of poor behaviour or that the reputation of the Council has yet been fully restored. Work needs to continue to embed good governance in the Council's proceedings to ensure there is no recurrence of the issues reported in the CPC.</p>
<p>Certification of housing benefit grant claim</p>	<p>We plan to certify the Council's 2014/15 housing benefit grant claim by the deadline of 30 November 2015 set by the Department of Work and Pensions.</p>
<p>Audit fee</p>	<p>Our fee for 2014/15 was £84,438 excluding VAT which was in line with our planned fee for the year and was unchanged from the previous year. Further detail is included within appendix B.</p>

Appendix B: Reports issued and fees

We confirm below the fees charged for the audit and non-audit services.

Fees for audit services

	Per Audit plan £	Actual fees £
Trust audit	87,495	87,495
Housing benefit grant certification fee*	35,280	35,280
Total audit fees	122,775	122,775

* Our work on the Council's Housing Benefit Return is still in progress at the report date, in line with the national timetable. Any fee variation in respect of this work will be discussed and agreed with the Council should the need arise, and will be reported to the Committee at a later date if applicable.

Fees for other services

Service	Fees £
Audit related services	
• Pooling of housing capital receipts	2,000
Non-audit related services	Nil

Reports issued

Report	Date issued
Audit Plan	March 2015
Audit Findings Report	September 2015
Annual Audit Letter	October 2015



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