

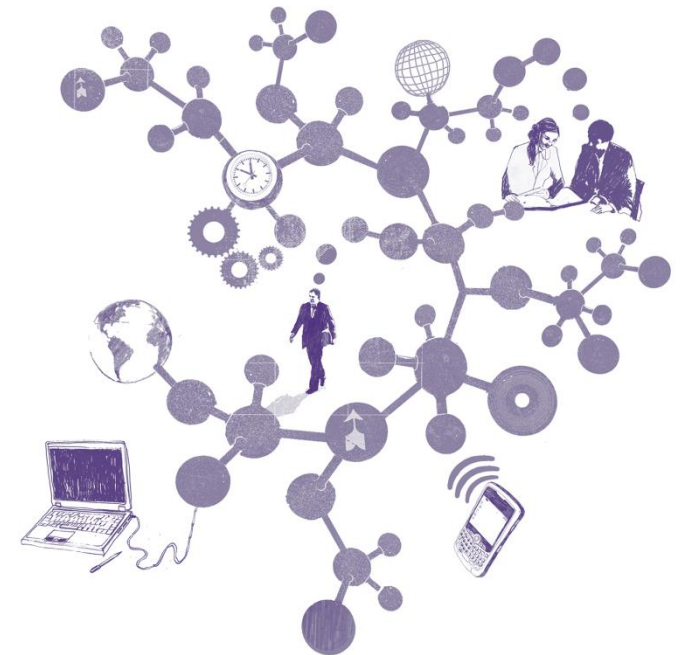
The Annual Audit Letter for Chorley Council

Year ended 31 March 2014

October 2014

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Contents

Section	Page
1. Key messages	3-4
Appendices	
A Summary of reports and audit fees	5

Key messages

Our Annual Audit Letter summarises the key findings arising from the work that we have carried out at Chorley 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 10th April 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)	<p>We reported our findings arising from the audit of the financial statements in our Audit Findings Report on 12th September to the Governance Committee. The key messages reported were:</p> <ul style="list-style-type: none">• no adjustments were made affecting the Council's reported financial position• the draft accounts and working papers were of good quality, and finance staff responded promptly to all audit queries• the audit identified a small number of material misstatements which management agreed to amend• we also agreed some minor amendments to disclosure notes within the accounts. <p>We issued an unqualified opinion on the Council's 2013/14 financial statements 23rd September 2014, 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 Council's 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 2013/14 on 23rd 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 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 2014.</p> <p>The Council has sound financial governance arrangements and financial controls in place. This is supported by members who consistently provide a robust challenge to financial matters. There is also a well established</p>

Key messages

Value for Money (VfM) conclusion	<p>approach to strategic financial planning, through the three year medium term financial strategy, which is aligned to the corporate priorities of the Council.</p> <p>Over the next three years to 2016/17, the Council, along with many other councils, is forecasting a significant budget gap. Encouragingly efficiencies for 2014/15 have already been fully delivered, but there remains a considerable challenge going forward. The Council remains in line with its stated policy of maintaining general fund reserves at or around £2m and is in line with the s151 officer's assessment of the level of general fund balances needed in the context of current risks. It remains important that the Council keeps this under close review in the context of changing risks and uncertainties around the financial position in the medium to long term.</p> <p>The Council continues to adopt a flexible and challenging approach to the way it delivers its services. The Council is not afraid to think progressively when it comes to identifying ways to ensure that its resources are effectively used. The recent decision to purchase the Market Walk shopping centre is an example where the Council was prepared to be innovative to identify additional income streams, whilst actioning wider corporate objectives. The risks were clearly evaluated as part of the decision making process and actions taken to minimise them where possible.</p>
Whole of Government Accounts	<p>We confirmed that the Council's income, expenditure, assets and liabilities in the consolidation pack, which the Council prepared to support the production of the Whole of Government Accounts, were below the audit threshold of £350m. As a result we confirmed only, as required, that the amounts in the pack for Property, Plant and Equipment and the net Pensions Liability were consistent with the amounts in the financial statements.</p>
Certification of grant claims and returns	<p>We are currently auditing the Council's Housing Benefit Grant Claim. The Council has good arrangements in place for submitting claims to be certified by us in line with the recognised deadlines. The claim is supported by appropriate evidence and staff have responded promptly to any queries raised by us.</p>
Audit fee	<p>Our fee for 2013/14 is £69,404, including an estimated grants certification fee of £9,064. Further detail is provided in Appendix A.</p>

Appendix A: Reports issued and fees

We confirm below the fee charged for the audit.

Fees

	Per Audit plan £	Actual fees £
Audit Fee*	59,440	60,340
Grant certification fee**	12,350	9,064
Total fees	71,790	69,404

* During the year there was a one off fee rebate issued by the Audit Commission of £8,134 which reduced the Council's net audit fee for the year. The rebate is not reflected in the above figure, which is shown gross of the rebate. 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 councils and has been agreed by the Audit Commission.

**The 'actual' grant certification fee is estimated, based on the latest indicative fees published by the Audit Commission, which reflects the removal of the requirement to certify the NDR3 return.

Fees for other services

Service	Fees £
None	Nil

Reports issued

Report	Date issued
Audit Plan	April 2014
Audit Findings Report	September 2014
Annual Audit Letter	October 2014



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