



KPMG LLP
Audit
3 Assembly Square
Britannia Quay
Cardiff CF10 4AX
United Kingdom

Tel +44 (0) 29 2046 8205
Fax +44 (0) 29 2046 8119
darren.gilbert@kpmg.co.uk

Private & confidential

Lisa Buckle
Finance Community of Practice Lead
South Hams District Council
Follaton House
Plymouth Road
Totnes
Devon TQ9 5NE

Our ref SHDC/17-
18/InterimLetter

9 March 2018

Dear Lisa

South Hams District Council - Audit progress

We have now completed our planning and interim audit work in line with the timetable set out in our detailed *External Audit Plan 2017-18*, dated January 2018. In that plan we indicated that we were planning to present an *Interim Audit Report* to the Authority's Audit Committee to report on the outcome of the planning and control evaluation phases of our audit. This was to ensure that, in line with good practice, any significant matters are reported to those charged with governance in a timely manner.

As our audit work to date has gone smoothly and we have not identified any significant issues, we no longer consider it necessary to report to the Audit Committee at this stage.

There are two non-significant control deficiencies which we have discussed with you and your team. These related to:

1. The fact that the completion of monthly benefit payment checks by officers was not being documented so as to evidence their completion. This deficiency was also identified in our audit for the year ending 31 March 2016; and
2. The reconciliation of National Non-Domestic Rates cash and refunds to the general ledger were performed outside a reasonable timeframe, and that reconciling items were not being cleared in a timely fashion.

For completeness, we will include commentary on these deficiencies in our *ISA260 Report 2017-18* which we will produce at the conclusion of the audit and present to the Audit Committee in July 2018.

In our *External Audit Plan 2017-18* we set out the significant risks we had identified in relation to the audit of the financial statements for the year ending 31 March 2018. This

included a specific risk around Faster Close as a result of the statutory deadlines for the publication of the financial statements being advanced. We have confirmed that the Authority has developed a closedown timetable that is designed to ensure that draft accounts are prepared in accordance with the deadline of 31 May 2018. We also confirm that we have worked with the Finance Community of Practice to identify those areas of our audit work that could be undertaken as part of our interim visit in order to streamline the year end process. We are satisfied with the steps that the authority has taken thus far in preparing for Faster Close but this still represents a significant challenge in this first year of advanced deadlines. We will report further on this matter in our *ISA260 Report 2017-18*.

In the absence of the need for an Interim Audit Report, please feel free to table this letter at the March meeting of your Audit Committee, to provide them with an update on the progress of our audit. As discussed, we will not attend that meeting but will provide a full briefing on the audit when presenting our *ISA260 Report 2017-18* at the July 2018 meeting.

Yours sincerely



Darren Gilbert
Director, KPMG LLP