



The Annual Audit Letter for West Devon Borough Council

Year ended 31 March 2015

16 October 2015

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Director

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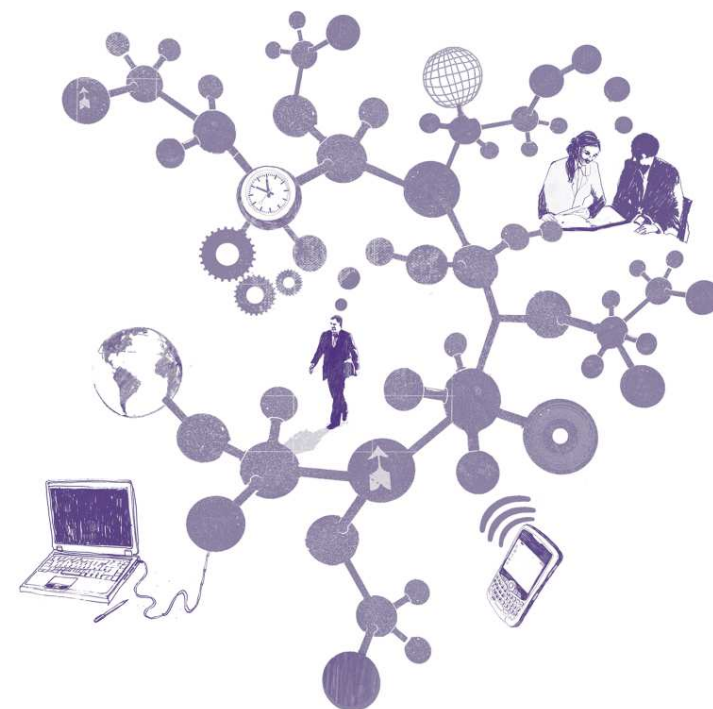
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Contents

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 West Devon Borough 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 on 28 April 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 29 September 2015 to the Audit Committee. The key messages reported were:</p> <ul style="list-style-type: none">• the accounts were free of significant errors; and• we did not identify any adjustments that affected the Council's reported financial position. <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 Council's financial position and of the income and expenditure recorded by the Council.</p>
Value for Money conclusion	<p>We issued an unqualified Value for Money conclusion for 2014/15 on 29 September 2015.</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 put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ending 31 March 2015.</p>

Key messages continued

Whole of Government Accounts	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.
Certification of housing benefit grant claim	We have not yet completed our work on the certification of the Council's 2014/15 housing benefit grant claim. The deadline for completion is 30 November 2015. We anticipate that this deadline will be met.
Audit fee	Our fee for 2014/15 was £52,528, excluding VAT which was in line with our planned fee for the year. Further detail is included within appendix B.

Appendix A: Key issues and recommendations

This appendix summarised the significant recommendations identified during the 2014/15 audit.

No.	Issue and recommendation	Priority	Management response/responsible officer	Due date
1.	<p>The Council's journal procedures should be improved to ensure that:</p> <ul style="list-style-type: none"> All journals have a narrative description to explain the nature and purpose of the transaction Journals should be raised and authorised by separate individuals. The Finance Community of Practice Lead should not be able to process journals. 	Medium	<ul style="list-style-type: none"> Authorisation: Once the two council's operations were harmonised, controls were enhanced to prevent this occurring. Narrative: Management will amend the software journal entry procedures to ensure that all journals have a notes facility attachment explaining the reason for the journal. The Finance Community of Practice Lead no longer has the facility to input journals. 	<ul style="list-style-type: none"> Now addressed Finance Community of Practice Lead.(September 2015) Now addressed

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 £
Council audit	52,528	52,528
Housing benefit grant certification fee	7,120	7,120
Total audit fees	59,648	59,648

Fees for other services

Service	Fees £
Audit related services	Nil
Non-audit related service	Nil

Reports issued

Report	Date issued
Audit Plan	28 April 2015
Audit Findings Report	29 September 2015
Financial Resilience	November 2015
Certification Report	December 2015
Annual Audit Letter	16 October 2015



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