

# The Annual Audit Letter for Tamworth Borough Council

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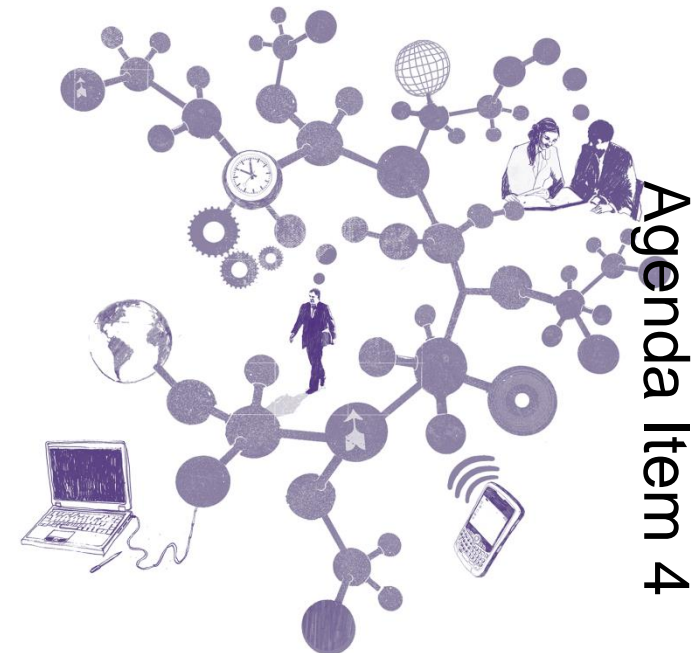
**Year ended 31 March 2014**

October 2014

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# Key messages

Our Annual Audit Letter summarises the key findings arising from the work that we have carried out at Tamworth Borough 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 on 27 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.

<p><b>Financial statements audit (including audit opinion)</b></p> <p style="writing-mode: vertical-rl; transform: rotate(180deg);">Page 7</p>	<p>We issued an unqualified opinion on the Council's 2013/14 financial statements on 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.</p> <p>We reported our findings arising from the audit of the financial statements in our Audit Findings Report on 25 September 2014 to the Audit and Governance Committee. The key messages reported were:</p> <ul style="list-style-type: none"> <li>• The accounts presented for audit were good quality</li> <li>• We identified a small number of changes requires to disclosure notes, and requested a couple of adjustments to improve the presentation of the financial statements, particularly to simplify the Explanatory Foreword.</li> </ul>
<p><b>Value for Money (VfM) conclusion</b></p>	<p>We issued an unqualified VfM conclusion for 2013/14 on 25 September 2014.</p> <p>Overall our work highlighted that:</p> <ul style="list-style-type: none"> <li>• The Council had effective arrangements in place which enabled it to deliver its challenging savings programme in 2013/14.</li> <li>• The Council is exploring further collaborative opportunities such as shared services opportunities with Lichfield District Council as part of its on-going savings programme.</li> </ul> <p>Continued...</p>

# Key messages

<p style="writing-mode: vertical-rl; transform: rotate(180deg);">Page 8</p>	<ul style="list-style-type: none"> <li>• The Council approved a 3 year Medium Term Financial Strategy in February 2014. The strategy estimates that general fund reserve balances shall be £0.5m the minimum approved level, and HRA reserve balances £1.5m compared to the minimum approved level of £1.5m. Work is ongoing via the Sustainability Strategy to address future financial constraints. Workstreams have been identified to identify further savings.</li> <li>• The Council faces even greater challenges in the future with the need to achieve substantial savings from 2017/18 onwards to deliver a balanced budget.</li> <li>• Whilst the Council has effective arrangements for prioritising its resources, looking at new service delivery arrangements and working co-operatively with partners, the continued improvement of these arrangements will be crucial to meeting the significant financial challenges in the future.</li> </ul> <p>On the basis of our work, and having regard to the guidance on the specified criteria published by the Audit Commission, we are 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 2014.</p>
<p><b>Whole of Government Accounts</b></p>	<p>We reviewed the consolidation pack prepared by the Council to support the production of the Government's Whole of Government Accounts. In line with our instructions we reported that the Council was below the audit threshold level set by the National Audit Office and reviewed the worksheets specified for bodies below the audit threshold. We confirmed that the closing figures for property, plant &amp; equipment and pensions liabilities in the consolidation pack were consistent with those in the Council's financial statements on the 2 October 2014 in line with the deadline.</p> <p>There were no matters arising from our work.</p>
<p><b>Certification of grant claims and returns</b></p>	<p>We certified the pooling of housing capital receipts return on 29 September 2014. No amendments were identified and the return was unqualified.</p> <p>We are currently certifying the Housing Benefit grant claim and will issue our report on this after we have completed the work in accordance with the deadline for submission to the DWP at the end of November.</p>
<p><b>Audit fee</b></p>	<p>Our fee for 2013/14 was £66,450, excluding VAT but including an additional £900 in relation to extra work required on business rate appeals which was not included in the audit plan. Further detail is included within 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	65,550	66,450
Grant certification fee	16,400	TBC
<b>Total fees</b>	<b>81,950</b>	<b>TBC</b>

There is an 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, from which we were able to gain certain assurances in prior years. The Audit Commission has therefore given approval in principle for a fee variation for the additional work required. The additional fee will be applied nationally and is 50% of the average fee previously charged for NDR3 certifications for district councils. We will bill this once formal agreement from the Audit Commission has been received.

The grant certification fee is indicative and may vary dependent upon the final levels of audit required. We are still completing our grant certification work and will report upon the fee once it is completed.

## Fees for other services

Service	Fees £
None	Nil

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# Appendix A: Reports issued and fees

## Reports issued

Report	Date issued
Audit Plan	27 March 2014
Audit Findings Report	25 September 2014
Certification plan	27 March 2014
Annual Audit Letter	October 2014

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