

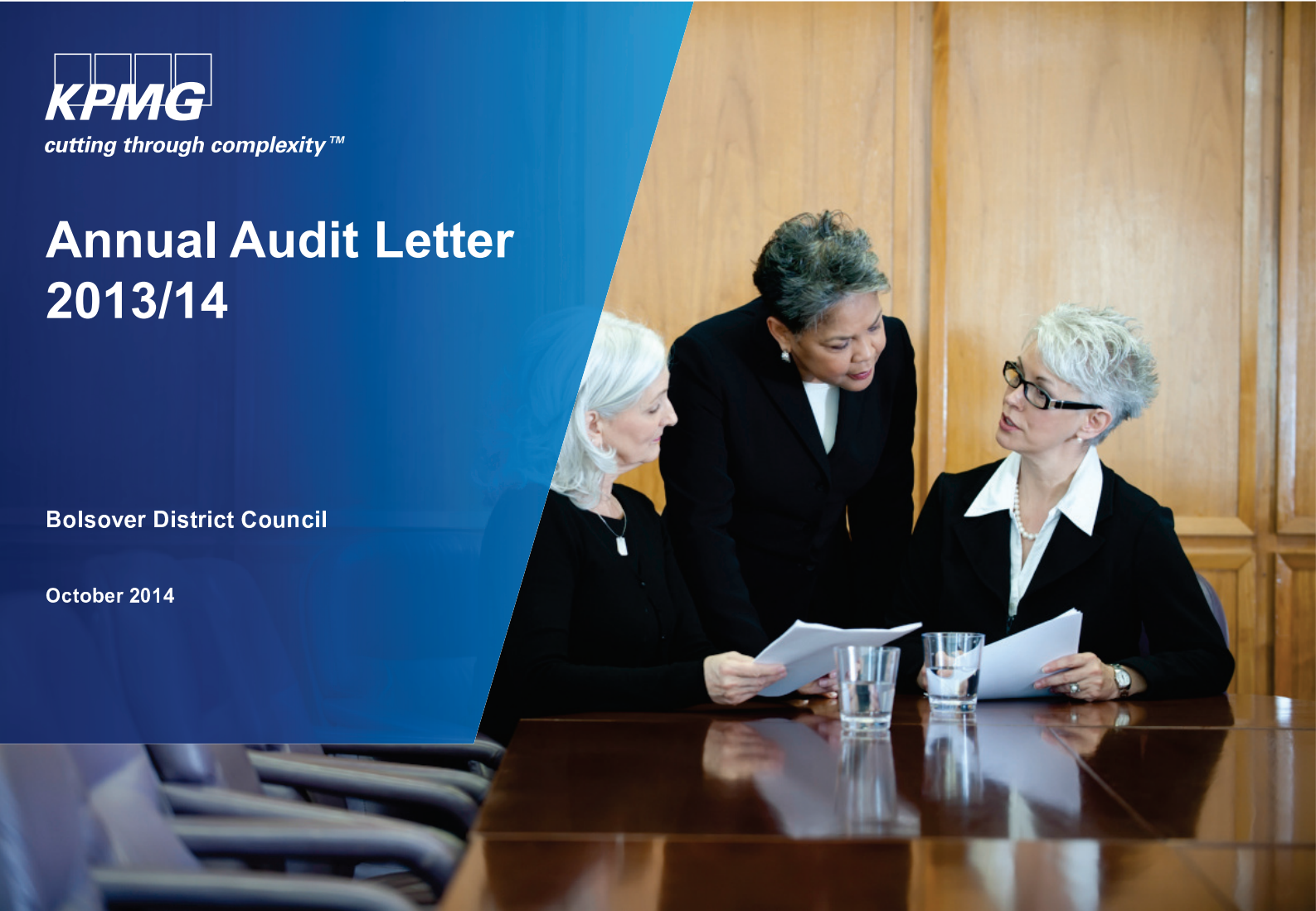


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# Annual Audit Letter 2013/14

Bolsover District Council

October 2014





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This report is addressed to the Authority and has been prepared for the sole use of the Authority. We take no responsibility to any member of staff acting in their individual capacities, or to third parties. The Audit Commission has issued a document entitled *Statement of Responsibilities of Auditors and Audited Bodies*. This summarises where the responsibilities of auditors begin and end and what is expected from the audited body. We draw your attention to this document which is available on the Audit Commission's website at [www.auditcommission.gov.uk](http://www.auditcommission.gov.uk).

External auditors do not act as a substitute for the audited body's own responsibility for putting in place proper arrangements to ensure that public business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively.

If you have any concerns or are dissatisfied with any part of KPMG's work, in the first instance you should contact Sue Sunderland, the appointed engagement lead to the Authority, who will try to resolve your complaint. If you are dissatisfied with your response please contact Trevor Rees on 0161 246 4000, or by email to [trevor.rees@kpmg.co.uk](mailto:trevor.rees@kpmg.co.uk), who is the national contact partner for all of KPMG's work with the Audit Commission. After this, if you are still dissatisfied with how your complaint has been handled you can access the Audit Commission's complaints procedure. Put your complaint in writing to the Complaints Unit Manager, Audit Commission, 3<sup>rd</sup> Floor, Fry Building, 2 Marsham Street, London, SW1P 4DF or by email to [complaints@audit-commission.gsi.gov.uk](mailto:complaints@audit-commission.gsi.gov.uk). Their telephone number is 0303 4448 330.



## Section one Headlines

This report summarises the key findings from our 2013/14 audit of Bolsover District Council (the Authority).

Although this letter is addressed to the Members of the Authority, it is also intended to communicate these issues to key external stakeholders, including members of the public.

Our audit covers the audit of the Authority's 2013/14 financial statements and the 2013/14 VFM conclusion.

<b>VFM conclusion</b>	<p>We issued an unqualified conclusion on the Authority's arrangements to secure value for money (VFM conclusion) for 2013/14 on 23 September 2014. This means we are satisfied that you have proper arrangements for securing financial resilience and challenging how you secure economy, efficiency and effectiveness.</p> <p>To arrive at our conclusion we looked at your financial governance, financial planning and financial control processes, as well as how you are prioritising resources and improving efficiency and productivity.</p>
<b>VFM risk areas</b>	<p>We identified two specific risks to our VFM and considered the arrangements you have put in place to mitigate these.</p> <ul style="list-style-type: none"><li>• We critically assessed the controls the Authority has in place to ensure a sound financial standing and reviewed how the Authority is planning and managing its savings plans.</li><li>• We followed up the previously reported control weaknesses around the governance and management of contracts.</li></ul> <p>We concluded that we did not need to carry out additional work for these risks as there was sufficient relevant work that had been completed by the Authority in relation to these risk areas.</p>
<b>Audit opinion</b>	<p>We issued an unqualified opinion on your financial statements on 23 September 2014. This means that we believe the financial statements give a true and fair view of the financial position of the Authority and of its expenditure and income for the year.</p>
<b>Financial statements audit</b>	<p>We identified no issues in the course of the audit that are considered to be material.</p> <p>The Authority has good processes in place for the production of the accounts and good quality supporting working papers. Officers dealt efficiently with audit queries and the audit process has been completed within the planned timescales.</p> <p>We have had regular meetings with Officers throughout the year which has facilitated delivery of the audit.</p>
<b>Annual Governance Statement</b>	<p>We reviewed your <i>Annual Governance Statement</i> and concluded that it was consistent with our understanding.</p>



## Section one Headlines (continued)

All the issues in this letter have been previously reported. The detailed findings are contained in the reports we have listed in Appendix 1.

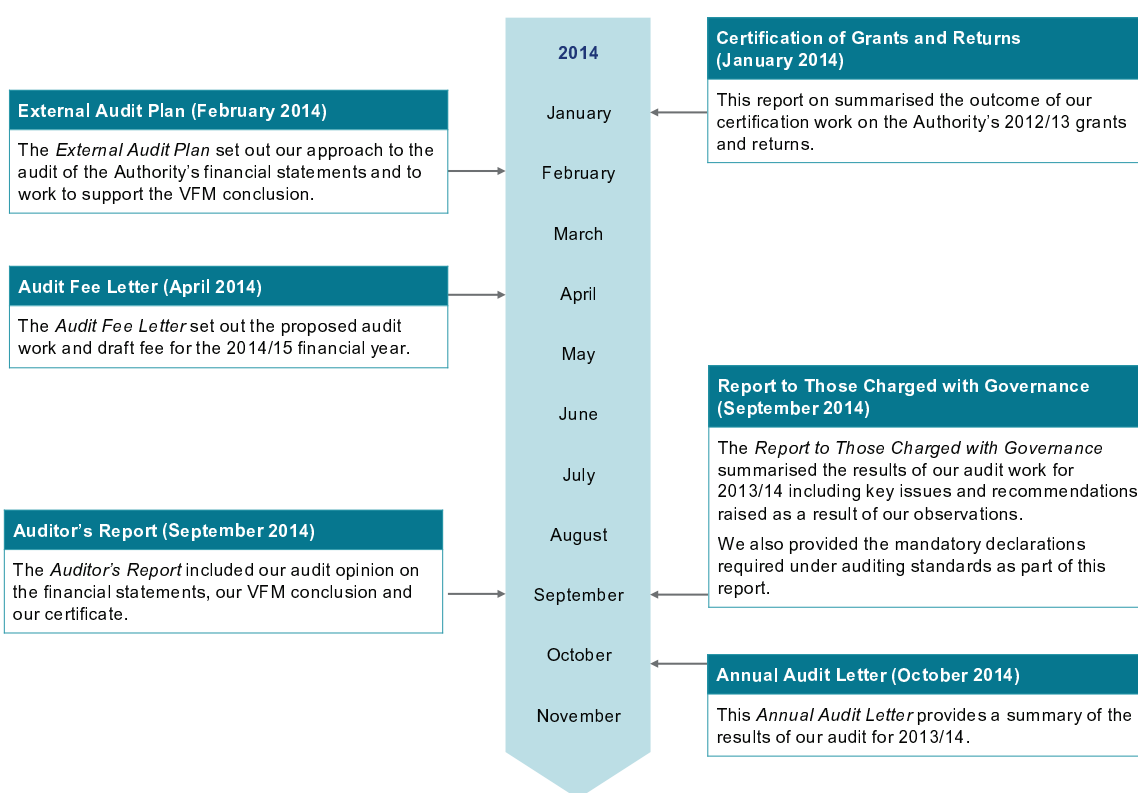
<b>Whole of Government Accounts</b>	We undertook a limited review of the consolidation pack which the Authority prepared to support the production of Whole of Government Accounts by HM Treasury. As the Authority falls below the threshold for detailed testing we only reported that the pension liabilities and PPE disclosures in the Authority's consolidation pack are consistent with the audited statutory accounts.
<b>High priority recommendations</b>	We raised no high priority recommendations as a result of our 2013/14 audit work.
<b>Certificate</b>	We issued our certificate on 23 September 2014. The certificate confirms that we have concluded the audit for 2013/14 in accordance with the requirements of the <i>Audit Commission Act 1998</i> and the Audit Commission's <i>Code of Audit Practice</i> .
<b>Audit fee</b>	Our planned fee for 2013/14 was £64,980, excluding VAT. We are however proposing an additional fee of £900 for 2013/14 for the additional NNDR testing that we have had to carry out as part of our opinion audit as a result of there being no certification of the NNDR3 return. This additional fee is subject to final determination by the Audit Commission. Further detail is contained in Appendix 2.



## Appendices

### Appendix 1: Summary of reports issued

This appendix summarises the reports we issued since our last *Annual Audit Letter*.





## Appendices Appendix 2: Audit fees

This appendix provides information on our final fees for 2013/14.

To ensure openness between KPMG and your Audit Committee about the extent of our fee relationship with you, we have summarised the outturn against the 2013/14 planned audit fee.

### External audit

Our proposed fee for the 2013/14 audit of the Authority is £65,880. This compares to a planned fee of £64,980.

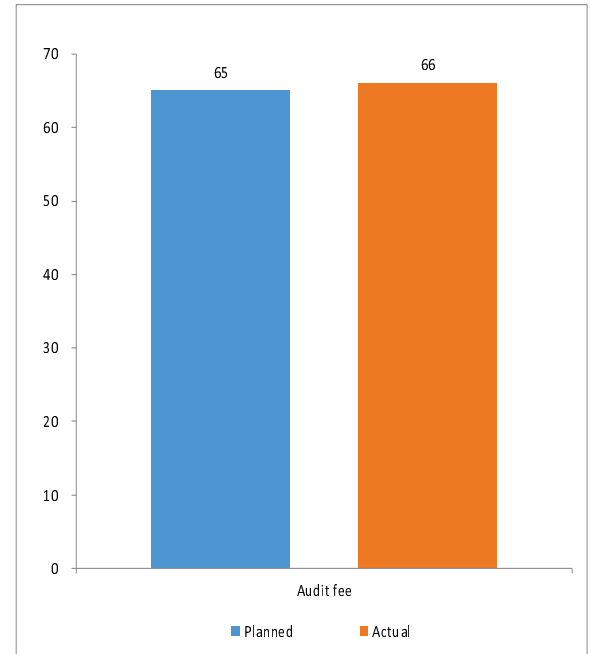
We are proposing an additional fee of £900 to cover extra work undertaken on NNDR. To deliver our 2013/14 audit opinion there were two elements of our work that we have previously carried out while certifying LA01 (the NNDR3 return), and relied upon for our opinion audit. In 2013/14, as a result of there being no certification of the NNDR3 return, we have had to carry out this work as additional procedures to our opinion audit.

Our proposed additional fee is still subject to final determination by the Audit Commission.

### Certification of grants and returns

Our grants work is still ongoing and the fee will be confirmed through our report on the *Certification of Grants and Returns 2013/14* which we are due to issue in January 2015.

External audit fees 2013/14 (£'000)





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