

# Audit Committee Update for Kent County Council

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**Year ended 31 March 2014**

April 2014

**Darren Wells**

Director

T 01293 554130

M 07880 456152

E [darren.j.wells@uk.gt.com](mailto:darren.j.wells@uk.gt.com)

**Elizabeth Olive**

Senior Manager

T 0207 728 3329

M 07880 456191

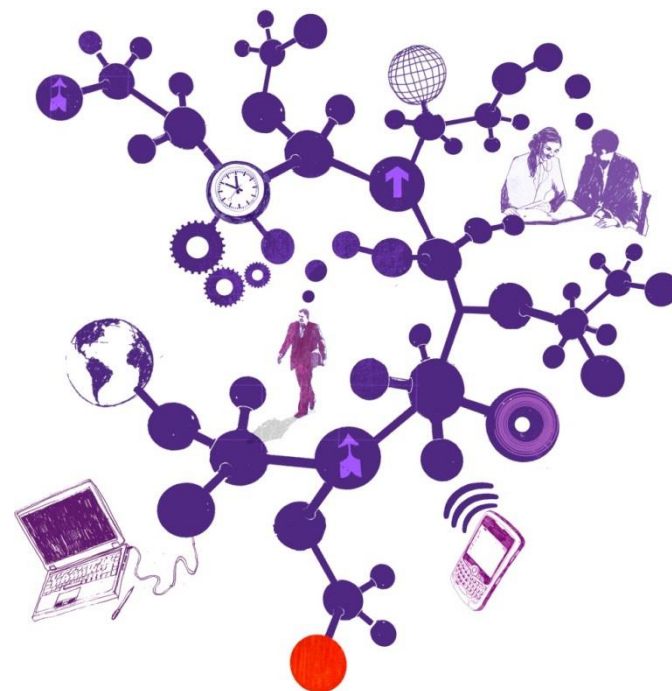
E [elizabeth.l.olive@uk.gt.com](mailto:elizabeth.l.olive@uk.gt.com)

**Terence Rickeard**

Executive

T 01293 554 085

E [Terence.Rickeard@uk.gt.com](mailto:Terence.Rickeard@uk.gt.com)



The contents of this report relate only to the matters which have come to our attention, which we believe need to be reported to you as part of our audit process. It is not a comprehensive record of all the relevant matters, which may be subject to change, and in particular we cannot be held responsible to you for reporting all of the risks which may affect your business or any weaknesses in your internal controls. This report has been prepared solely for your benefit and should not be quoted in whole or in part without our prior written consent. We do not accept any responsibility for any loss occasioned to any third party acting, or refraining from acting on the basis of the content of this report, as this report was not prepared for, nor intended for, any other purpose.

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# Contents

Section	Page
Introduction	4
Progress at 7 April 2014	5
Emerging issues and developments	
Local government guidance	9
Grant Thornton	13
Accounting and audit issues	16
Appendix 1 – Certification Letter 2012/13	22

# Introduction

This paper provides the Governance and Audit Committee with a report on progress in delivering our responsibilities as your external auditors. The paper also includes:

- a summary of emerging national issues and developments that may be relevant to you as a Council
- includes a number of challenge questions in respect of these emerging issues which the Committee may wish to consider.

Members of the Audit Committee can find further useful material on our website [www.grant-thornton.co.uk](http://www.grant-thornton.co.uk), where we have a section dedicated to our work in the public sector. Here you can download copies of our publications –'Towards a tipping point?', 'The migration of public services', 'The developing internal audit agenda', 'Preparing for the future', 'Surviving the storm: how resilient are local authorities?' 'Reaping the Benefits', 'Local Government Governance Review 2014' and 'A guide to Local Authority Accounts'.

If you would like further information on any items in this briefing, or would like to register with Grant Thornton to receive regular email updates on issues that are of interest to you, please contact either your Engagement Lead or Audit Manager.

Darren Wells   Engagement Lead      T 01293 554130   M 07880 456152      [darren.j.wells@uk.gt.com](mailto:darren.j.wells@uk.gt.com)

Elizabeth Olive   Engagement Manager      T 0207 728 3329   M 07880 456191      [elizabeth.l.olive@uk.gt.com](mailto:elizabeth.l.olive@uk.gt.com)

# Progress at 7 April 2014

Work	Planned date	Complete?	Comments
<b>2013-14 Audit Fee Letter</b> We prepare a fee letter annually setting out the audit and grants certification work fee for the year.	March 2013	Yes	We issued the 2013/14 audit fee letter to management on 22 March 2013 and presented it to this committee in April 2013.
<b>2013-14 Accounts Audit Plan</b> We are required to issue a detailed accounts audit plan to the Council setting out our proposed approach in order to give an opinion on the Council's 2013-14 financial statements.	April 2014	Yes	We have agreed separate accounts audit plans for the Council's financial statements and the Pension Fund accounts with officers. Both plans are included as separate items on the April committee meeting agenda.
<b>Interim accounts audit</b> Our interim fieldwork visit includes: <ul style="list-style-type: none"> <li>• updating our review of the Council control environment</li> <li>• updating our understanding of financial systems</li> <li>• review of Internal Audit reports on core financial systems</li> <li>• early work on emerging accounting issues</li> <li>• early substantive testing</li> <li>• proposed Value for Money conclusion.</li> </ul>	January and April 2014	Yes	<p>The results of the interim work completed up to February are set out in our accounts audit plans.</p> <p>We have undertaken early substantive testing to reduce the pressure on officers and audit at the accounts visit.</p> <p>We have monthly meetings with Internal Audit to discuss potential audit issues and fraud investigations. There are no issues arising that would impact on our audit opinion at this date.</p>

## Progress at 7 April 2014 (continued)

Work	Planned date	Complete?	Comments
<b>2013-14 final accounts audit</b> <ul style="list-style-type: none"> <li>• audit of the 2013-14 financial statements; and</li> <li>• proposed opinion on the Council's accounts.</li> </ul>	June – July 2014	No	We have monthly meetings with the Head of Financial Management and Chief Accountant, and will attend the monthly closedown champions meetings to ensure that potential accounting issues are identified early.
<b>Value for Money (VfM) conclusion</b> The scope of our work to inform the 2013-14 VfM conclusion is based on the reporting criteria specified by the Audit Commission.  The Council has proper arrangements in place for: <ul style="list-style-type: none"> <li>• securing financial resilience</li> <li>• challenging how it secures economy, efficiency and effectiveness in its use of resources.</li> </ul> Our review will focus on arrangements relating to financial governance, strategic financial planning and financial control.	January – June 2014	No	We have completed our VfM planning. The specific areas we plan to review are set out in our audit plan.  The detailed VfM work, including the financial resilience review, will be completed in June 2014.

## Progress at 7 April 2014 (continued)

Work	Planned date	Complete?	Comments
<b>Whole of Government Accounts (WGA)</b> We are required to audit the Whole of Government Accounts return on behalf of the National Audit Office.	September 2014	No	We will undertake the audit of the WGA return once the accounts audit is complete.  The local authority unaudited deadline has moved to 30 June. Last year the deadline was 7 August which was ultimately deferred to 14 August. We understand that this change was discussed at the WGA advisory board but no wider consultation took place.
<b>Other areas of work – grants certification</b> We will be required to certify the following return for the Council in 2013-14: <ul style="list-style-type: none"> <li>Teachers' Pensions Return</li> </ul>	Audit arrangements to be confirmed	No	The Audit Commission has recently reported that the PEN05 scheme is continuing in 2013/14 with assurance arrangements outside section 28/1998 (outside the Audit Commission regime). Grant Thornton will be discussing with the Teachers' Pensions the way forward on this work and we will report the changes to arrangements once known.
<b>Other activity undertaken</b> <b>Accounts workshops for Trusts</b> Throughout February, the Grant Thornton public sector assurance team, is presenting workshops for preparers of NHS Trust and Foundation Trust financial statements. The workshops will help practitioners in their financial statements preparation by considering what's new for 2013/14, revisiting common problem areas and giving practitioners the opportunity for discussion and questions.			

# Progress at 7 April 2014 (continued)

Work	Comments
<b>Other activity undertaken</b>  <b>Accounts workshops for Councils, Fire and Police sectors</b> Throughout February and March 2014, the Grant Thornton public sector assurance team, in conjunction with CIPFA, presented workshops for preparers of Council, Fire and Police financial statements. The workshops were focussed on helping practitioners in their financial statements preparation by considering what's new for 2013/14, revisiting common problem areas and giving practitioners the opportunity for discussion and questions. Members of the finance team attended the event. In addition, two members of the audit team spoke at seven of the events as guest speakers on your de-cluttering and early closedown achievements.  <b>Tax seminar</b> Grant Thornton held a tax seminar for local government on 4 March 2014 at the Finsbury Square office. The event covered tax challenges and opportunities in local government and was attended by the Chief Accountant.  <b>Networking event for Chairs and Vice-Chairs of Audit Committees in Kent</b> Grant Thornton organised a networking event for chairs and vice-chairs across Kent in March 2014.  <b>Value for Money planning meetings</b> As part of the value for money planning meetings, we have introduced advisors from other service areas within Grant Thornton to give a different perspective and added value to senior officers.	<p>If you would like further information on the events or topics covered please ask the Engagement Lead or Manager.</p>



# Councils must continue to adapt to meet the needs of local people

## Local government guidance

### Audit Commission research - Tough Times 2013

The Audit Commission's latest research, <http://www.audit-commission.gov.uk/wp-content/uploads/2013/11/Tough-Times-2013-Councils-Responses-to-Financial-Challenges-w1.pdf> shows that England's councils have demonstrated a high degree of financial resilience over the last three years, despite a 20 per cent reduction in funding from government and a number of other financial challenges. However, with uncertainty ahead, the Commission says that councils must carry on adapting in order to fulfil their statutory duties and meet the needs of local people.

The Audit Commission Chairman, Jeremy Newman said that with continuing financial challenges 'Councils must share what they have learnt from making savings and keep looking for new ways to deliver public services that rely less on funding from central government'.

#### Key findings:

The Audit Commission's research found that:

- the three strategies most widely adopted by councils have been reducing staff numbers, securing service delivery efficiencies and reducing or restructuring the senior management team;
- three in ten councils exhibited some form of financial stress in 2012/13 – exhibited by a mix of difficulties in delivering budgets and taking unplanned actions to keep finances on track;
- auditors expressed concerns about the medium term prospects of one third of councils (36 per cent)

# Councils choosing their auditors one step closer

## Local government guidance

### Local Audit and Accountability Act

The Local Audit and Accountability Act received Royal Assent on 30 January 2014.

#### Key points

Amongst other things:

- the Act makes provision for the closure of the Audit Commission on 31 March 2015;
- arrangements are being worked through to transfer residual Audit Commission responsibilities to new organisations;
- there will be a new framework for local public audit due to start when the Commission's current contracts with audit suppliers end in 2016/17, or potentially 2019/20 if all the contracts are extended;
- the National Audit Office will be responsible for the codes of audit practice and guidance, which set out the way in which auditors are to carry out their functions;
- Local Authority's will take responsibilities for choosing their own external auditors;
- recognised supervisory bodies (accountancy professional bodies) will register audit firms and auditors and will be required to have rules and practices in place that cover the eligibility of firms to be appointed as local auditors;
- Local Authority's will be required to establish an auditor panel which must advise the authority on the maintenance of an independent relationship with the local auditor appointed to audit its accounts;
- existing rights around inspection of documents, the right to make an objection at audit and for declaring an item of account unlawful are in line with current arrangements;
- transparency measures give citizens the right to film and tweet from any local government body meeting.

Issues to consider/challenge questions:

- Have members considered the implications of the Local Audit and Accountability Act for the Council's future external audit arrangements?

# Joint Health and Social Care Plans

## Local government guidance

### Better Care Fund

In the June 2013 Spending Round the Government announced the prospective implementation of the Better Care Fund (formerly the integration transformation fund). The key aim is to ensure a transformation in integrated health and social care through local single pooled budget arrangements. Pooled budget arrangements are formally underpinned by Section 75 of the NHS Act 2006.

#### Key issues

- £3.8 billion for funding will be available from 2015/16, largely through a top slice of existing Clinical Commissioning Group (CCG) budgets;
- Local Authorities with Adult Social Services, CCGs and NHS Trusts will need to collaborate through a single pooled budget arrangement to support the delivery of health and social care services in their designated local areas;
- finalised joint health and social care plans must be in place setting out how pooled budgets will be spent – draft plans must be formally signed off by each statutory Health and Well Being Board and submitted to NHS England area teams by 14 February, with a 4 April 2014 deadline for submission of finalised plans

#### Issues to consider/challenge questions:

- Is the local Health and Wellbeing Board on track to finalise and sign off the joint health and social care plan for submission to the NHS England area team?
- Has the size of the pooled budget been clarified?
- Is the Authority collaborating with its partner bodies to work through funding and delivery arrangements?
- Have roles and responsibilities been defined and understood for the Authority and its partner CCGs, NHS Trusts and the Health and Wellbeing Board?

# Austerity continued – further cuts in spending powers

## Local Government Guidance

### Final local government finance settlement 2014/15

On 5 February 2014 the government published the final local government finance settlement for 2014/15. This confirmed the proposals laid out in the provisional finance settlement. The government has proposed that any council tax increases made by billing or precepting authorities of 2 per cent or more will be subject to a referendum. This proposal needs to be accepted by Parliament.

Excluding the Greater London Authority, the spending power for local authorities in England will fall by 2.9% in 2014/15 compared to 2013/14. As in previous years, councils will have their funding reduction capped at 6.9%. Indicative funding levels for 2015/16 have also been provided to assist local authorities with their medium term financial planning. The settlement will be finalised in February 2014.

#### Challenge questions:

- Has the Council reviewed the proposed settlement and assessed the impact as part of the budget setting process?

# 79% of Councils anticipate Tipping Point soon

## Grant Thornton

### 2016 tipping point? Challenging the current

This report [http://www.grant-thornton.co.uk/Global/Publication\\_pdf/LG-Financial-Resilience-2016-tipping-point.pdf](http://www.grant-thornton.co.uk/Global/Publication_pdf/LG-Financial-Resilience-2016-tipping-point.pdf) is the third in an annual series which assesses whether English local authorities have the arrangements in place to ensure their sustainable financial future.

Local authorities have so far met the challenges of public sector budget reductions. However, some authorities are predicting reaching tipping point, when the pressure becomes acute and financial failure is a real risk. Based on our review of forty per cent of the sector, this report shows that seventy nine per cent of local authorities anticipate some form of tipping point in 2015/16 or 2016/17.

Our report rates local authorities in four areas - key indicators of financial performance, strategic financial planning, financial governance and financial control. It also identifies a series of potential 'tipping point scenarios' such as local authorities no longer being able to meet statutory responsibilities to deliver a range of services.

Our report also suggest some of the key priorities for local authorities in responding to the challenge of remaining financially sustainable. This includes a relentless focus on generating additional sources of revenue income, and improving efficiency through shared services, strategic partnerships and wider re-organisation.

#### Challenge questions

- Our report includes a good practice checklist designed to provide senior management and members with an overview of key tipping point risks and case studies in strategic financial planning, financial governance and financial control. Have you read the report and considered whether the Council can learn from the good practice?

# Alternative Delivery Models – are you making the most of them?

## Grant Thornton

### Alternative delivery models in local government

This report: <http://www.grant-thornton.co.uk/en/Publications/2014/Responding-to-the-challenge-alternative-delivery-models-in-local-government/> discusses the main alternative delivery models available to local government. These are based on our recent client survey and work with local government clients. It aims to assist others as they develop their options and implement innovation strategies.

Local government has increased the variety and number of alternative delivery models it uses in recent years including contracts and partnerships with other public bodies and private sector organisations, as well as developing new public sector and non-public sector entities. With financial austerity set to continue, it is important that local authorities continue innovating, if they are to remain financially resilient and commission better quality services at reduced cost.

This report is based on a brief client survey and work with local authority clients and:

- Outlines the main alternative delivery models available to local authorities
- Aims to assist other authorities as they develop their options and implement innovation strategies
- Considers aspects of risk.

#### Challenge question

- Our report includes a number of case studies summarising how public services are being delivered through alternative service models. Has the Authority reviewed these case studies and assessed whether there are similar opportunities available to it?
- Our report includes three short checklists on supporting innovation in service delivery, setting up a company and questions that members should ask officers when considering the development of a new delivery model. Are the checklists being considered as part of the development of the Authority's commissioning strategy?

# Good governance – are you working in tandem?

## Grant Thornton

### Local government governance review 2014: working in tandem

Our third annual review into local authority governance aims to assist senior management and elected members of councils and fire & rescue authorities to assess the strength of their governance arrangements and to prepare for the challenges ahead. The review focuses on three particular aspects of governance – risk leadership, partnerships and alternative delivery models (ADMs) and public communication.

The key messages from the report are:

- While more than 90% of our survey felt their organisations encouraged well-managed risk taking and innovation, almost 40% felt there was a lack of clear leadership from members about risk appetite
- Almost one third of respondents had concerns about the blame culture in their organisation
- The associated risks of partnership working and ADMs are not being adequately dealt with by existing governance arrangements: almost one third of respondents did not think that all parties shared the same understanding, or spoke the same language about risk. Further, one quarter doubted whether members and officers were clear about their individual and collective roles and responsibilities
- More than one third of respondents said the annual governance statement (AGS) failed to explain how the authority handled risk; 40% of respondents felt their explanatory foreword did not help the public to understand the authority's financial management
- Local authorities are working hard to improve communication with the public, but could still be more proactive, for example through annual reports and social media. The report highlights examples of good practice and also poses a number of questions for management and members, to help them assess the strength of their current governance arrangements.

In this age of austerity, as authorities seek new and innovative ways to reduce costs and deliver front-line services, effective governance frameworks are essential to support sound decision making.

Challenge question:

- Has the Council considered the findings of the report and areas of good practice to identify improvements to the governance arrangements to ensure they are fit for purpose in the changing public sector environment?

# How do you recognise a PFI?

## Accounting and audit issues

### Private Finance Initiative Schemes and Service Concessions

The Government financial reporting manual (FReM) and the Local Government CIPFA Code of Practice have now adopted IPSAS 32 (International public sector accounting standards) – Service Concession Arrangements.

Previously under IAS 17 (International Accounting Standards – Leases ), the recognition point for an asset and a liability in the financial statements for such a scheme was at the commencement date of the contract, when the asset was handed over to the public sector and ready for use.

Now under IPSAS 32, the recognition point is when:

- it is probable that future economic benefits associated with the asset will flow to the organisation
- the cost of the asset can be measured reliably.

This suggests that some authorities may need to consider recognising service concession assets during the construction phase as assets under construction. In reaching a judgement as to whether to recognise an asset under construction, we would expect authorities to consider the extent to which they bear construction risk and whether they can get reliable information on the cost of construction from the operator.

Challenge questions:

- Has the finance team considered whether IPSAS 32 is relevant to your authority?
- Do you have any partially built assets at the year end under such a scheme which would now need to be accounted for differently?
- As the standard is retrospectively applied, do your financial statements require a prior period adjustment for the financial statements year ending 31 March 2013?



# Keeping your PFI accounting up to date

## Accounting and audit issues

### Private Finance Initiative Schemes and Service Concessions

#### Updating the accounting model during the operational phase

Most authorities derive their accounting entries from an accounting model which, in turn, is derived from the operators costing model. The initial accounting model will have included a range of assumptions, such as inflationary increases. We would expect authorities to update the accounting model for actual information, such as inflationary increases and performance variations, during the contract.

#### Disclosing the impact of inflation on commitments

We expect authorities to disclose the impact of inflation on their service concession commitments. These commitments are affected by:

- past inflation – previous price rises will be built into future payments
- fluctuations in future inflation – this gives rise to uncertainties about future payments.

#### Disclosing the fair value of the service concession liability

Service concession liabilities are financial instruments. Therefore, we would expect authorities to disclose the fair value of the liability unless this is not materially different from the carrying value. In most cases we would expect the fair value for operational schemes to be higher than the carrying value. This is because once a scheme is operational, authorities have access to lower interest rates for refinancing. This is because the pre-construction interest rate reflects the risks associated with construction.

#### Challenge questions:

- Does your finance team regularly update the accounting model?
- Has your authority disclosed the impact of past and future inflation on its commitments?
- Has your authority disclosed the fair value of its PFI liability?

# Revaluing your assets – clarification of accounting guidance

## Accounting and audit issues

### Property, plant and equipment valuations

The 2013/14 Code has clarified the requirements for valuing property, plant and equipment and now states explicitly that revaluations must be 'sufficiently regular to ensure that the carrying amount does not differ materially from that which would be determined using the fair value at the end of the reporting period.' This means that a local authority will need to satisfy itself that the value of assets in its balance sheet is not materially different from the amount that would be given by a full valuation carried out on 31 March 2014. This is likely to be a complex analysis which might include consideration of:

- the condition of the authority's property portfolio at 31 March 2014
- the results of recent revaluations and what this might mean for the valuation of property that has not been recently valued
- general information on market prices and building costs
- the consideration of materiality in its widest sense - whether an issue would influence the view of a reader of the accounts.

The Code also follows the wording in IAS 16 more closely in the requirements for valuing classes of assets:

- items within a class of property, plant and equipment are to be revalued simultaneously to avoid selective revaluation of assets and the reporting of amounts in the financial statements that are a mixture of costs and values as at different dates
- a class of assets may be revalued on a rolling basis provided revaluation of the class of assets is completed within a short period and provided the revaluations are kept up to date.

There has been much debate on what is a short period and whether assets that have been defined as classes for valuation purposes should also be disclosed separately in the financial statements. These considerations are secondary to the requirement that the carrying value does not differ materially from the fair value. However, we would expect auditors to report to those charged with governance where, for a material asset class:

- all assets within the class are not all valued in the same year
- the class of asset is not disclosed separately in the property, plant and equipment note.

Challenge question:

- Has your Head of Financial Management reviewed the programme of valuations and the proposals for disclosing information about classes of assets?

# Reporting the costs of public health

## Accounting and audit issues

### Changes to SeRCOP – new public health line

SeRCOP for 2013/14 introduces a new cost of service line for 'Public health'. This has been introduced to reflect new responsibilities placed upon local authorities following restructuring in the NHS. We expect this new service line to be presented on the face of the CIES within cost of services. If there were material amounts relating to this service in 2013/14, we would expect comparative figures to be restated.

Challenge question:

- Is your Chief Accountant confident that she can provide accurate information and a robust audit trail for the public health line within cost of services?

# Accounting for pensions

## Accounting and audit issues

### Accounting for and financing the local government pension scheme costs

#### Accounting issues

The 2013/14 Code follows amendments to IAS 19 and changes the accounting requirements for defined benefit pension liabilities such as those arising from the local government pension scheme (LGPS). This is a change in accounting policy and will apply retrospectively.

The main changes we expect to see are:

- a reallocation of amounts charged in the comprehensive income and expenditure statement (CIES)
- more detailed disclosures.

We do not expect changes to balance sheet items (the net pension liability and pension reserve balance). This means that whilst we would expect the CIES to be restated, a third balance sheet is not required. Actuaries should be providing local authorities with the information they need to prepare the financial statements, including restated comparatives.

#### Financing issues

The amount to be charged to the general fund in a financial year is the amount that is payable for that financial year as set out in the actuary's rates and adjustments certificate. Some local authorities are considering paying pension fund contributions early in exchange for a discount but not charging the general fund until later.

Local authorities must be satisfied that the amounts charged to the general fund in a financial year are the amounts payable for that year. Where local authorities are considering making early payments, we would expect them to obtain legal advice (either internally or externally) to determine the amounts that are chargeable to the general fund. We would expect this to include consideration of:

- the actuary's opinion on the amounts that are payable by the local authority into the pension fund
- the agreement between the actuary and the local authority as to when these payments are to be made
- the wording in the rates and adjustments certificate setting out when amounts are payable for each financial year.

Challenge question:

- Are you confident of getting the information from its actuary to meet the changes in the requirements for accounting for the LGPS (including restating the comparatives)?

# Changes to the public services pension scheme

## Accounting and audit issues

### Changes to the Local Government Pension Scheme

The Public Service Pensions Bill received Royal Assent in April 2013, becoming the Public Service Pensions Act 2013 ('the Act'). The Act makes provision for new public service pension schemes to be established in England, Wales & Scotland. Consequent regulations have been laid to introduce changes to the LGPS in England and Wales from 1st April 2014. (The regulations for the changes in Scotland have not yet been laid and will only impact from 1 April 2015).

These introduce a number of changes including:

- a change from a final salary scheme to a career average scheme
- introduction of a 50/50 option whereby members can choose to reduce their contributions by 50% to receive 50% less benefit
- calculation of contributions based on actual salary which could lead to some staff with irregular patterns of working moving between contribution rate bandings on a regular basis
- changes in employee contribution rates and bandings
- transitional protection for people retiring within 10 years of 1 April 2014 (further regulations are still awaited).

The above changes have implications for all employers involved in the LGPS introducing required changes to their payroll systems to ensure pension contributions are calculated correctly. This has consequent implications for administering authorities to communicate with employers and consider how they will obtain assurance over the accuracy and completeness of contributions going forwards since the calculations are more complex going forwards and less predictable. In addition changes are also required to pension administration/payment systems as well as much more detailed processes around maintaining individual pension accounts for all members to ensure the correct payment of future pensions.

The Act also requires changes to the governance arrangements although regulations for the LGPS have not yet been laid for these and the changes in governance arrangements are not expected to be implemented until 1 April 2015.

Challenge question:

- Do you understand all the changes the LGPS 2014 will bring and the impact on your role as an administering authority, including communications with admitted and scheduled bodies?

# APPENDIX 1

## Certification Letter 2012/13

Andy Wood  
Kent County Council

14 February 2014

Dear Andy

### **Certification work for Kent County Council for year ended 31 March 2013**

We are required to certify the claims and returns submitted by Kent County Council. This certification typically takes place six to nine months after the claim period and represents a final but important part of the process to confirm your Council's entitlement to funding.

Arrangements for certification are prescribed by the Audit Commission, who agrees the scope of the work with each relevant government department or agency, and issues auditors with a Certification Instruction (CI) for each specific claim or return.

We have certified one return for the financial year 2012/13 relating to expenditure of £62.8 million. Further details of the return certified is set out in Appendix A.

There are no issues arising from our certification work which we wish to highlight for your attention. We are satisfied that your Council has appropriate arrangements to compile complete, accurate and timely claims and returns for audit certification.

The Audit Commission set an indicative scale fee for grant claim certification based on 2010/11 certification fees for each audited body. The indicative scale fee for the Council for 2012/13 is £6,250. The actual fee for 2012/13 is set out in detail in Appendix A.

Yours sincerely

Darren Wells (Director, For Grant Thornton UK LLP)

# APPENDIX 1

## Certification Letter 2012/13

### Appendix A

#### Details of claims and returns certified for 2012/13

Claim or return	Value	Amended?	Amendment	Qualified?	Comments
Teachers' Pension return	£62,778,436	No	N/A	No	No issues identified

#### Fees for certification work 2012/13

Claim or return	2011/12 fee (£)	2011/12 fee (£) less 40%*	2012/13 indicative fee (£)	2012/13 actual fee (£)	Variance (£)	Explanation
Teacher's Pension return	5,527	3,316	4,430	4,430	0	n/a
Initial teacher training claim	2,985	1,791	960	0	(960)	We were not required to certify this claim in 2012/13
Local transport plan: major projects	1,770	1,062	860	0	(860)	We were not required to certify this claim in 2012/13
<b>Total</b>			<b>6,250</b>	<b>4,430</b>	<b>(1,820)</b>	

\* 2011/12 fee less 40% fee reduction applicable for 2012/13 onwards. This is shown in this way to make it comparable to the 2012/13 fee.



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