

The Annual Audit Letter for Kent County Council

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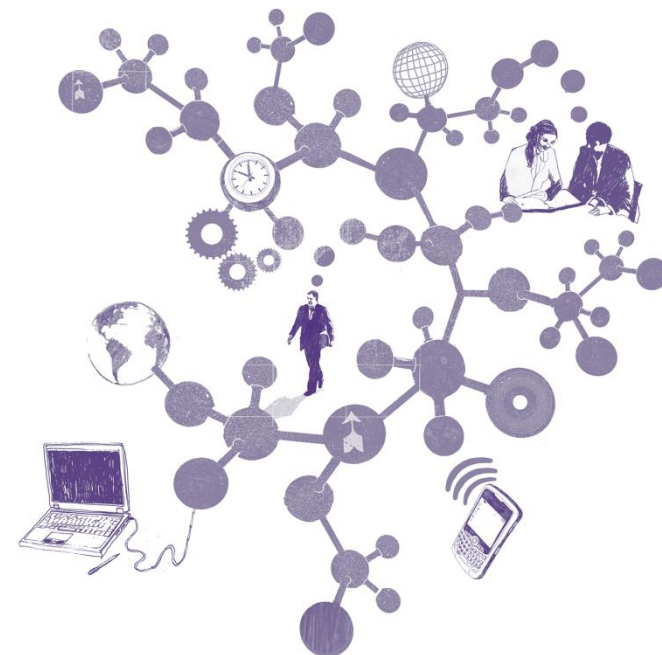
This version of the report is a draft. Its contents and subject matter remain under review and its contents may change and be expanded as part of the finalisation of the report.

Year ended 31 March 2015

October 2015

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Key messages

Our Annual Audit Letter summarises the key findings arising from the work that we have carried out at Kent County 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 in 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 23 July 2015 to the Governance and Audit Committee. The key messages reported were:</p> <ul style="list-style-type: none"> • delays in the processing of schools payroll direct debits through the ledger <p>We issued an unqualified opinion on the Council's 2014/15 financial statements on 27 July 2015, 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>
Value for Money (VfM) conclusion	<p>We issued an unqualified VfM conclusion for 2014/15 on 27 July 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 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 2015.</p>

Key messages continued

Whole of Government Accounts	We will complete our work in respect of the Whole of Government Accounts in accordance with the national timetable. The work is planned for September 2015 and the audit certificate will be issued after we have audited the WGA consolidation pack.
Audit fee	Our fee for 2014/15 was £207,900, 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.

Issue and recommendation	Priority	Management response/ responsible office/ due date
The schools payroll direct debits for February 2015 and March 2015 were not processed through the ledger on a timely basis. These receipts should be confirmed through the schools payroll bank reconciliation process and followed up if variances are identified on a monthly basis. A recommendation of a similar nature was made in 2013-14.	High	With immediate effect - BSC Professional Services Manager. Operational Service Manager – officer responsible

Appendix B: Reports issued and fees

We confirm below the fees charged for the audit and non-audit services.

Fees

	Per Audit plan £	Actual fees £
Council audit	207,900	207,900
Total audit fees	207,900	207,900

Fees for other services

Service	Fees £
Audit of Initial teacher training claim	3,500
Compliance review of TIGER funding scheme in Dec 2014	12,000
Audit of Expansion East Kent RGF claim	3,250
Audit of Infrastructure RGF claim	950
Audit of TIGER claim	3,250

Reports issued

Report	Date issued
Audit Plan	April 2015
Audit Findings Report	July 2015
Certification Report	TBC
Annual Audit Letter	October 2015



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