

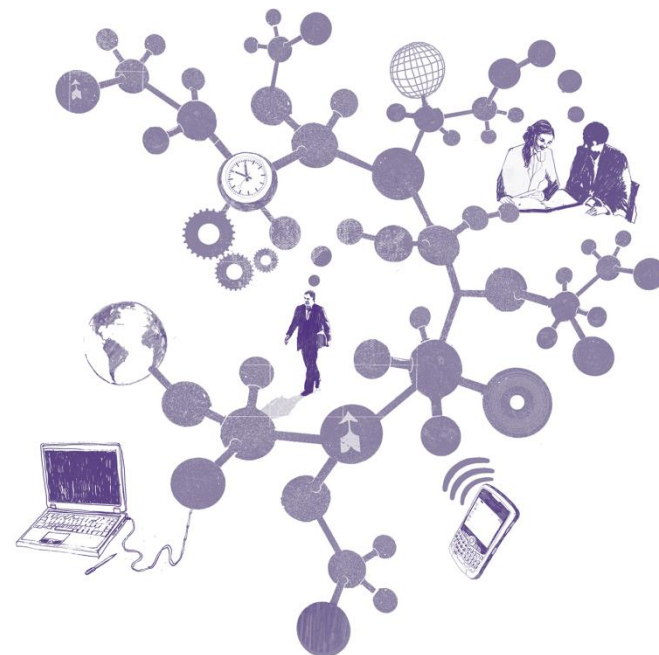
The Annual Audit Letter for Kent County Council

Year ended 31 March 2016

October 2016

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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 2016.

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 2016 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)	We reported our findings arising from the audit of the financial statements in our Audit Findings Report on 21 July 2016 to the Governance and Audit Committee. We issued an unqualified opinion on the Council's 2015/16 financial statements on 21 July 2016, 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.
Value for Money (VfM) conclusion	We issued an unqualified VfM conclusion for 2015/16 on 21 July 2016. 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 2016.

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 2016 and the audit certificate will be issued after we have audited the WGA consolidation pack.
Other statutory duties	We are currently dealing with an objection to the financial statements , upon the closure of these matters we will issue our audit certificate.
Audit fee	Our fee for 2015/16 was £155,925, 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 2015/16 audit.

Rec No.	Recommendation	Priority	Management response	Implementation date & responsibility
1	A review of the schools salaries bank reconciliation found that there were reconciling items dating back to 2011/12 amounting to £159,483. Reconciling items should be investigated and cleared on a timely basis.	Medium	Agreed	Immediate and responsibility of BSC Operational Service Manager
2	All open orders should be reviewed on a regular (or at least annual) basis to ensure that if final invoice has been received and resolved, remaining amounts are closed down. This will ensure remaining expense/accrual is not incorrectly included.	Low	Agreed	Immediate and responsibility of Head of Procurement

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	155,925	155,925
Other Statutory powers	TBC	TBC
Total audit fees	TBC	TBC

Fees for other services

Service	Fees £
Audit related services:	
• Independent auditor assurance reviews	12,500
• Advisory services	20,900
• Tax advice	42,750
Non-audit services	76,150

Reports issued

Report	Date issued
Audit Plan	April 2016
Audit Findings Report	July 2016
Annual Audit Letter	October 2016



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