



The Annual Audit Letter for Halton Council

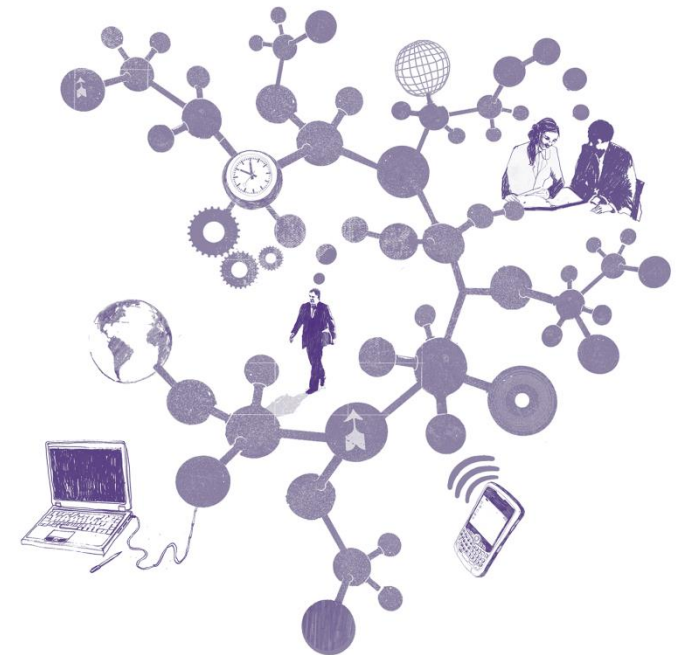
Year ended 31 March 2015

06 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 Halton 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 May 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 dated 3 September 2015 and presented it to members of the Business Efficiency Board on 23 September 2015. We also provided on 30 September 2015 an update to members of the key messages and issues arising since the Report and the presentation to the Business Efficiency Board. The key messages reported were:</p> <ul style="list-style-type: none">• Due to the omission of some cash related closedown journals, balance sheet cash has been understated by £0.9 million, and creditors understated by the same amount; officers adjusted for this.• The pre-audit and post-audit financial statements recorded Net Expenditure of Continuing Operations of £126.819 million; there were no amendments that impacted on the Council's overall financial position.• We identified a number of adjustments to improve the presentation of the financial statements.• We received draft financial statements and accompanying working papers at the start of our audit, in accordance with the agreed timetable. Officers were available throughout our audit fieldwork to provide additional supporting information in a timely manner and resolved our queries promptly. <p>We issued an unqualified opinion on the Council's 2014/15 financial statements on 30 September 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> <p>The Auditor's Report issued on 30 September 2015 noted a delayed Certificate of completion of the audit due to Whole of Government Accounts having a later deadline than the Statement of Accounts. The Certificate was issued on 2 October 2015 on completion of our work on the Whole of Government Accounts.</p>
Value for Money (VfM) conclusion	<p>We issued an unqualified VfM conclusion for 2014/15 on 30 September 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 reviewed the consolidation pack which the Council prepared to support the production of Whole of Government Accounts. We reported that the Council's pack was consistent with the audited financial statements but noted an unadjusted error of £1.6 million in the counterparty information in the pack. Our Report was issued on 2 October 2015, meeting the deadline set by the Department for Communities and Local Government.
Certification of housing benefit grant claim	We plan to certify the Housing Benefit grant claim by the due deadline of 30 November 2014.
Audit fee	<p>Our fee for 2014/15 was £151, 132 excluding VAT, which was in line with our planned fee for the year and represented no change in the Council audit fee and a slight reduction in the grant fee from the previous year.</p> <p>Further detail is included at Appendix B.</p>

Appendix A: Key issues and recommendations

This appendix summarised the significant recommendations identified during the 2014/15 audit.

Rec No.	Recommendation	Priority	Management response	Implementation date & responsibility
1	Ensure bank reconciliations - reconciling the balance per the bank statements at year end to the ledger - are completed on a consistent basis.	Medium	Procedures will be improved to ensure that bank reconciliations are balanced to the ledger correctly at year-end, as they currently are during the year, to avoid any similar omissions in future. Bank reconciliations are particularly important to ensure there are no delays with preparation of the Statement of Accounts. This is currently being considered as part of the implementation of the Agresso Income Manager module, which should further automate and simplify the reconciliation process in future.	Operational Director, Finance 31st March 2016
2	Ensure all appropriate closedown journals are identified and processed promptly.	Medium	Further checks will be introduced into closedown procedures to ensure all journals are identified and processed promptly.	Operational Director, Finance 31st March 2016

Appendix B: Reports issued and fees

We confirm the fees charged for the audit and non-audit services:

Audit fees

	Per Audit plan £	Actual fees £
Council audit	140,392	140,392
Grant certification on behalf of Audit Commission/Pubic Sector Audit Appointments	10,740	*10,740
Total audit fees	151,132	151,132

* The grant certification fee above is an estimate at this stage. In 2013/14 the grant fee was £10,173.

Fees for other services

Service	Fees £
Audit related services	
Independent report on Teachers' Pensions return (PEN)	4,200
Independent report on Regional Growth Fund claim (RGF)	<u>3,110</u>
Total	7,310
Non audit related services	
Tax (Employee Solutions) work for the Council	6,750
VAT reviews	<u>24,600</u>
Total	31,350

Reports issued

Report	Date issued
Audit Plan	May 2015
Audit Findings Report	3 September 2015
Updated to Audit Findings Report	30 September 2015
Business Efficiency Update Reports - audit progress report and emerging issues & developments	November 2014 February 2015 June 2015 September 2015
Annual Audit Letter	



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