

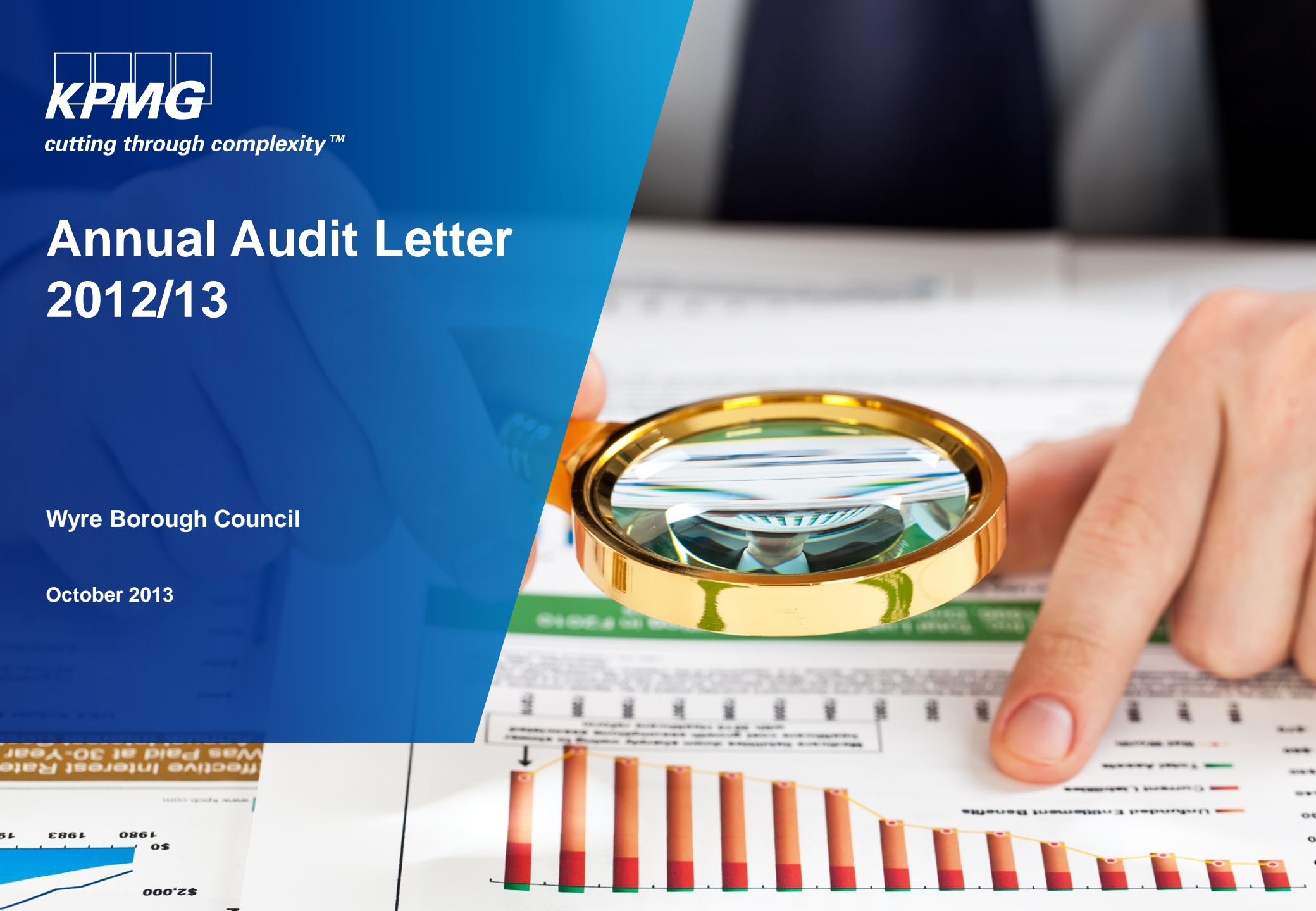


cutting through complexity™

Annual Audit Letter 2012/13

Wyre Borough Council

October 2013



The contacts at KPMG in connection with this report are:

Tim Cutler

Director

KPMG LLP (UK)

Tel: 0161 246 4774

tim.cutler@kpmg.co.uk

Jillian Burrows

Senior Manager

KPMG LLP (UK)

Tel: 0161 246 4705

jillian.burrows@kpmg.co.uk

Gwyn Williams

Assistant Manager

KPMG LLP (UK)

Tel: 0161 246 4936

gwyn.williams@kpmg.co.uk

Report sections

- Headlines

Page

2

Appendix

1. Summary of reports issued

4

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.

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 Tim Cutler, 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, 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, 3rd Floor, Fry Building, 2 Marsham Street, London, SW1P 4DF or by email to complaints@audit-commission.gsi.gov.uk. Their telephone number is 03034448330.

This report summarises the key findings from our 2012/13 audit of Wyre Borough 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 2012/13 financial statements and the 2012/13 VFM conclusion.

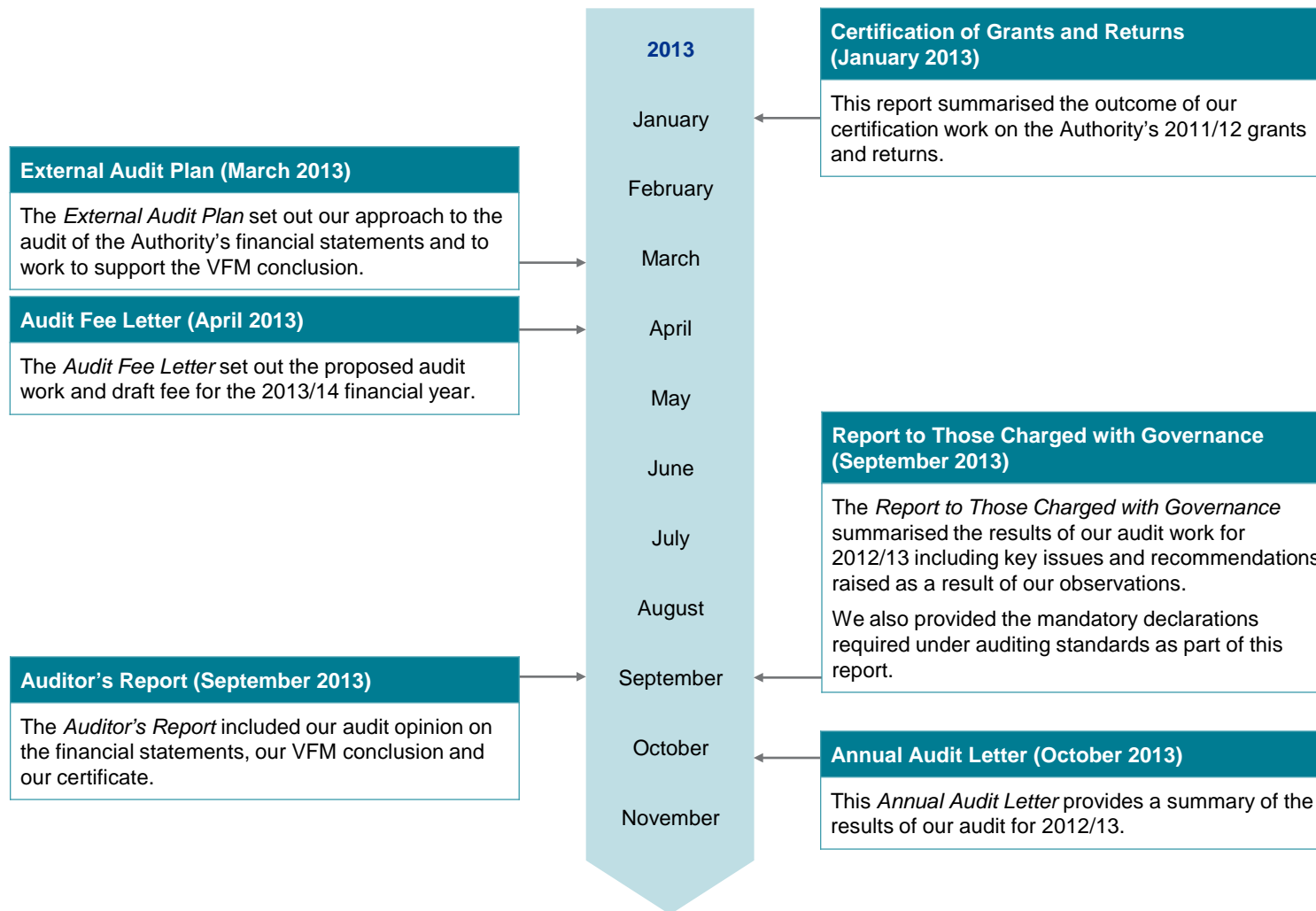
<p>VFM conclusion</p>	<p>We issued an unqualified value for money (VFM) conclusion for 2012/13 on 5 September 2013.</p> <p>This means we are satisfied that you have proper arrangements for securing financial resilience and challenging how you secure economy, efficiency and effectiveness.</p> <p>To arrive 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>
<p>Audit opinion</p>	<p>We issued an unqualified opinion on your financial statements on 5 September 2013. 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>
<p>Financial statements audit</p>	<p>Our audit identified no material audit adjustments and the non-material and presentational issues were addressed by management. The most significant of these changes was an overstatement of property, plant and equipment (PPE) by £526,725 in relation to the valuation of one property. This arose due to a formula error within the Fixed Asset Register (FAR). A review of the FAR confirmed that this was an isolated incident and the relevant amendments were made to the financial statements.</p> <p>We worked with Officers throughout the year to discuss specific financial accounting risk areas. The Authority addressed the issues appropriately.</p> <p>We found that the quality of the accounts and the supporting working papers was high. Officers dealt efficiently with audit queries and the audit process has been completed within the planned timescales.</p> <p>The Authority's organisation and IT control environment is effective overall, and controls over the key financial systems are sound.</p>
<p>Annual Governance Statement</p>	<p>We reviewed your <i>Annual Governance Statement</i> and concluded that it was consistent with our understanding.</p>

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

Whole of Government Accounts	<p>As the Authority is below the audit threshold, we are not required to undertake a full review of the consolidation pack that the Authority prepared to support the production of Whole of Government Accounts by HM Treasury. We submitted a short form assurance statement on 27 September 2013 to confirm that the pension liabilities and property, plant and equipment disclosures within the Authority's pack are consistent with the audited financial statements.</p>
High priority (priority one) recommendations	<p>We raised no high priority (priority one) recommendations as a result of our 2012/13 audit work.</p>
Certificate	<p>We issued our certificate on 5 September 2013.</p> <p>The certificate confirms that we have concluded the audit for 2012/13 in accordance with the requirements of the <i>Audit Commission Act 1998</i> and the Audit Commission's <i>Code of Audit Practice</i>.</p>
Audit fee	<p>Our fee for 2012/13 was £63,983, excluding VAT. This was further reduced by the rebate of £5,700 received directly from the Audit Commission. This was in line with our planned fee, as previously communicated to the Audit Committee.</p>

Appendix 1: Summary of reports issued

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





cutting through complexity™

© 2013 KPMG LLP, a UK public limited liability partnership, is a subsidiary of KPMG Europe LLP and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative, a Swiss entity. All rights reserved.

The KPMG name, logo and 'cutting through complexity' are registered trademarks or trademarks of KPMG International Cooperative (KPMG International).

arm/audit/cr/13/1211pd2