



# Annual Audit Letter 2016/17

## North East Derbyshire District Council

[kpmg.com/uk](http://kpmg.com/uk)

October 2017

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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. Public Sector Audit Appointments issued a document entitled Statement of Responsibilities of Auditors and Audited Bodies summarising where the responsibilities of auditors begin and end and what is expected from audited bodies. We draw your attention to this document which is available on Public Sector Audit Appointment's website ([www.psa.co.uk](http://www.psa.co.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.

We are committed to providing you with a high quality service. If you have any concerns or are dissatisfied with any part of KPMG's work in the first instance you should contact Tony Crawley, the engagement lead to the Authority, who will try to resolve your complaint. If you are dissatisfied with your response please contact the national lead partner for all of KPMG's work under our contract with Public Sector Audit Appointments Limited, Andrew Sayers ([andrew.sayers@kpmg.co.uk](mailto:andrew.sayers@kpmg.co.uk)). After this, if you are still dissatisfied with how your complaint has been handled you can access PSA's complaints procedure by emailing [generalenquiries@psaa.co.uk](mailto:generalenquiries@psaa.co.uk), by telephoning 020 7072 7445 or by writing to Public Sector Audit Appointments Limited, 3rd Floor, Local Government House, Smith Square, London, SW1P 3HZ.

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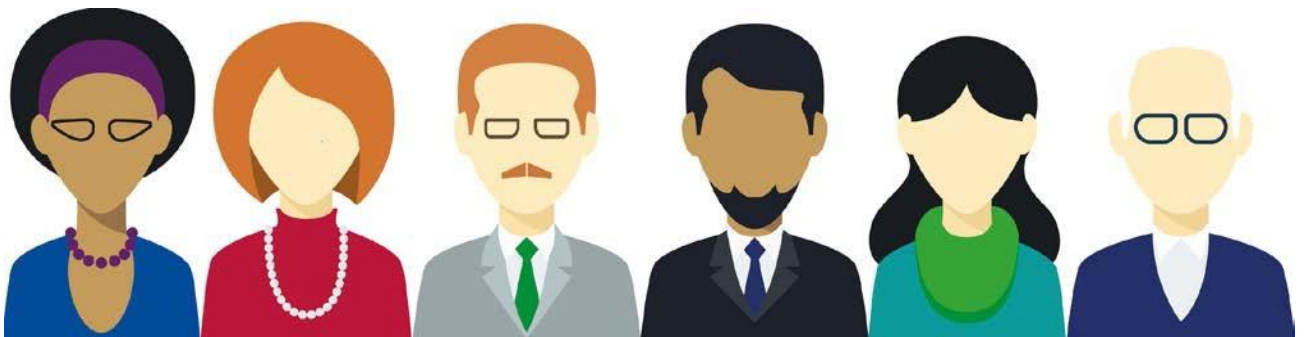
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## Section one

# Summary

This Annual Audit Letter summarises the outcome from our audit work at North East Derbyshire District Council in relation to the 2016/17 audit year. Although it is addressed to Members of the Authority, it is also intended to communicate these key messages to key external stakeholders, including members of the public, and will be placed on the Authority's website.

### VFM conclusion

We issued an unqualified conclusion on the Authority's arrangements to secure value for money (VFM) for 2016/17 on 31 July 2017. This means we are satisfied that during the year the Authority had appropriate arrangements for securing economy, efficiency and effectiveness in the use of its resources.

### VFM risk areas

We undertook a risk assessment as part of our VFM audit work to identify the key areas impacting on our VFM conclusion, and considered the arrangements in place to mitigate these risks.

In reaching our VFM conclusion we have considered the Authority's arrangements for making properly informed decisions, sustainable resource deployment and working with partners and third parties. This has included detailed reviews of key documents including the Medium Term Financial Plan, Corporate Plan and Growth Strategy.

Our work also includes the discussions we have held with key officers throughout the year regarding the Authority's continued plans for growth, income generation and cost savings.

In last year's Annual Audit Letter we highlighted the uncertainty with respect to probable changes to the New Homes Bonus scheme, which were confirmed during 2016/17, and reforms to National Non Domestic Rates (NNDR), which remain to be clarified. In response to this uncertainty, the Authority has implemented an Efficiency Plan to enable it to produce a robust Medium Term Financial Plan based on prudent and reasonable assumptions.

### Audit opinion

We issued an unqualified opinion on the Authority's financial statements on 31 July 2017. 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. Our opinion date was significantly ahead of the 30 September statutory deadline, and was enabled by the high quality working papers and efficient responses to our queries provided by officers.



## Section one

### Financial statements audit

We did not identify any issues in the course of our audit that are considered to be material.

The Authority has good processes in place for the production of the accounts and high quality working papers. Officers dealt efficiently with audit queries and the audit process has been completed within the planned timescales.

### Other information accompanying the financial statements

Whilst not explicitly covered by our audit opinion, we review other information that accompanies the financial statements to consider its material consistency with the audited accounts. This year we reviewed the Annual Governance Statement and Narrative Report. We concluded that they were consistent with our understanding and did not identify any issues.

### Whole of Government Accounts

The Authority prepares a consolidation pack to support the production of Whole of Government Accounts by HM Treasury. We are not required to review your pack in detail as the Authority falls below the threshold where an audit is required. As required by the guidance we have confirmed this with the National Audit Office.

### Certificate

We issued our certificate on 31 July 2017. The certificate confirms that we have concluded the audit for 2016/17 in accordance with the requirements of the Local Audit & Accountability Act 2014 and the Code of Audit Practice.

### Audit fee

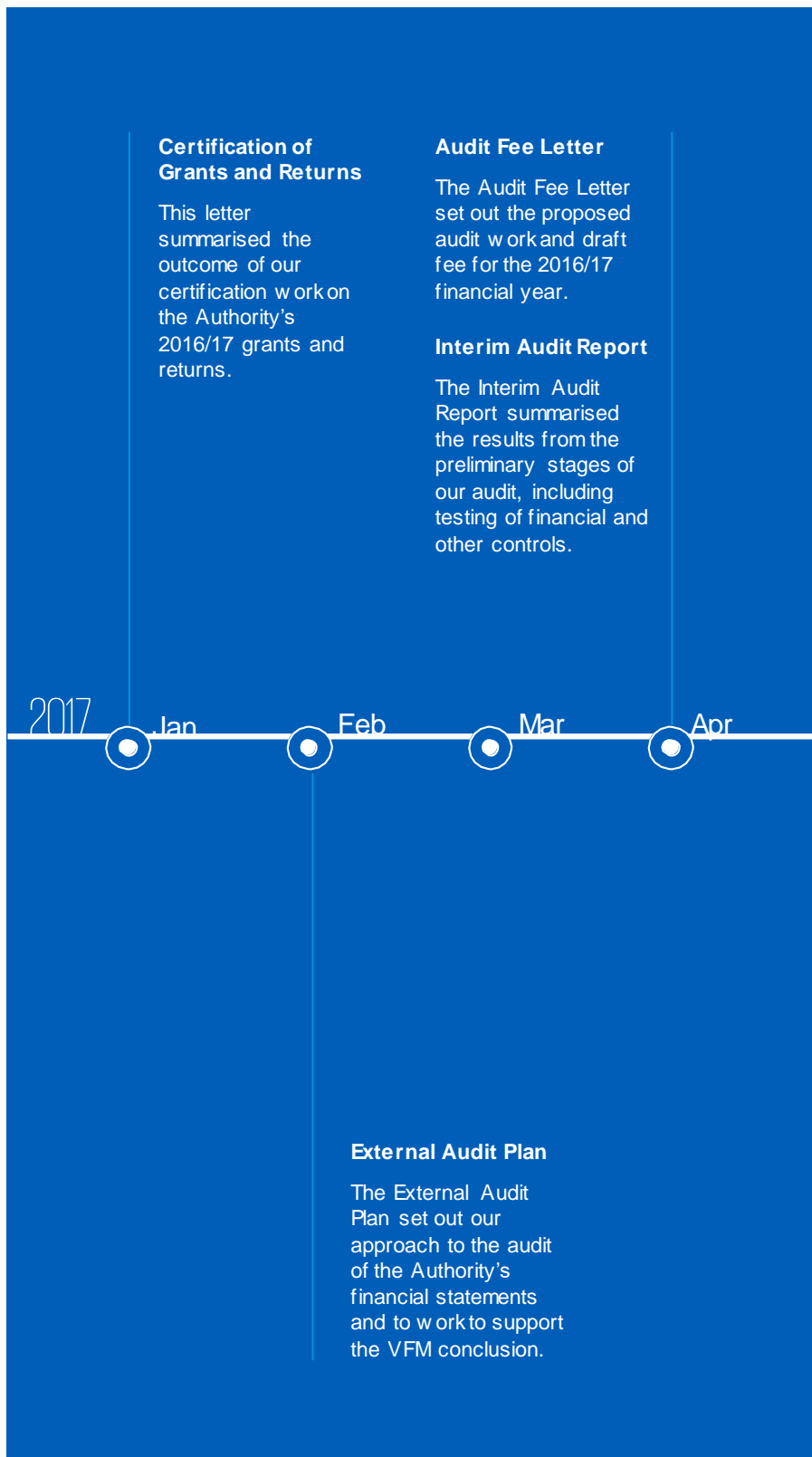
Our fee for 2016/17 was £56,507, excluding VAT, in line with prior year. Further detail is contained in Appendix 2.

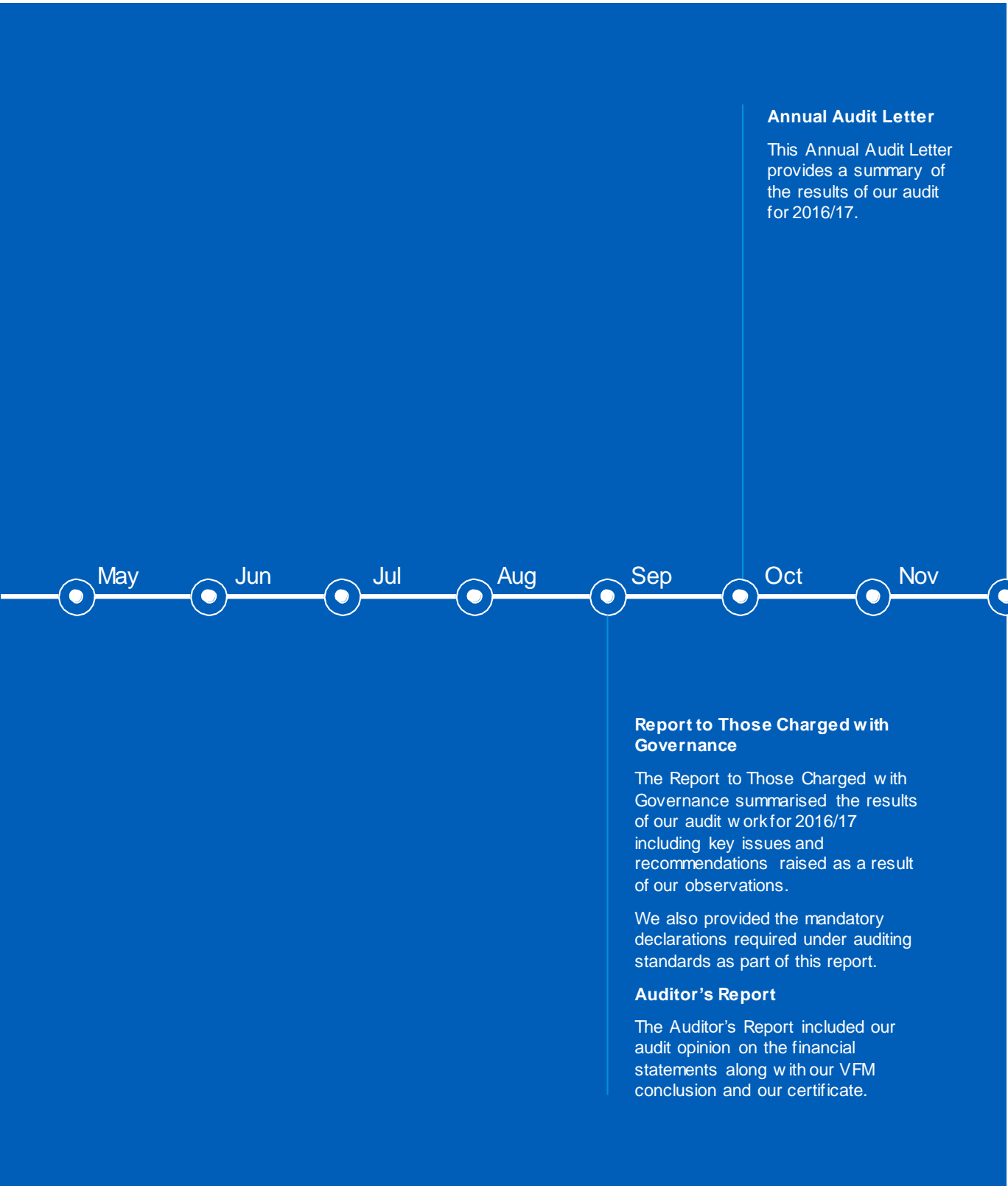
## Appendix 1

# Summary of reports issued

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

These reports can be accessed via the Audit Committee pages on the Authority's website at <http://www.ne-derbyshire.gov.uk>





**Annual Audit Letter**

This Annual Audit Letter provides a summary of the results of our audit for 2016/17.

May

Jun

Jul

Aug

Sep

Oct

Nov

**Report to Those Charged with Governance**

The Report to Those Charged with Governance summarised the results of our audit work for 2016/17 including key issues and recommendations raised as a result of our observations.

We also provided the mandatory declarations required under auditing standards as part of this report.

**Auditor's Report**

The Auditor's Report included our audit opinion on the financial statements along with our VFM conclusion and our certificate.

## Appendix 2

# Audit fees

This appendix provides information on our final fees for the 2016/17 audit.

To ensure transparency about the extent of our fee relationship with the Authority we have summarised below the outturn against the 2016/17 planned audit fee.

### External audit

Our final fee for the 2016/17 audit of the Authority was £56,507, which is in line with the planned fee.

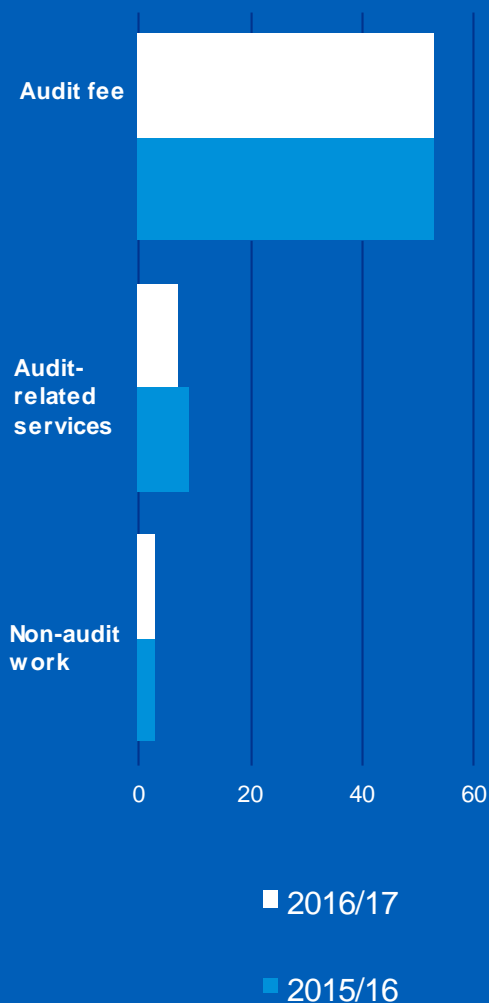
#### *Certification of grants and returns*

Under our terms of engagement with Public Sector Audit Appointments we undertake prescribed work in order to certify the Authority's housing benefit grant claim. This certification work is in progress. The final fee will be confirmed through our reporting on the outcome of that work in January 2018.

### Other services

We charged £3,000 for additional non-audit related services for the certification of the Pooling of Housing Capital Receipts grant which is outside of Public Sector Audit Appointment's certification regime.

External audit fees 2016/17  
(£'000)



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