

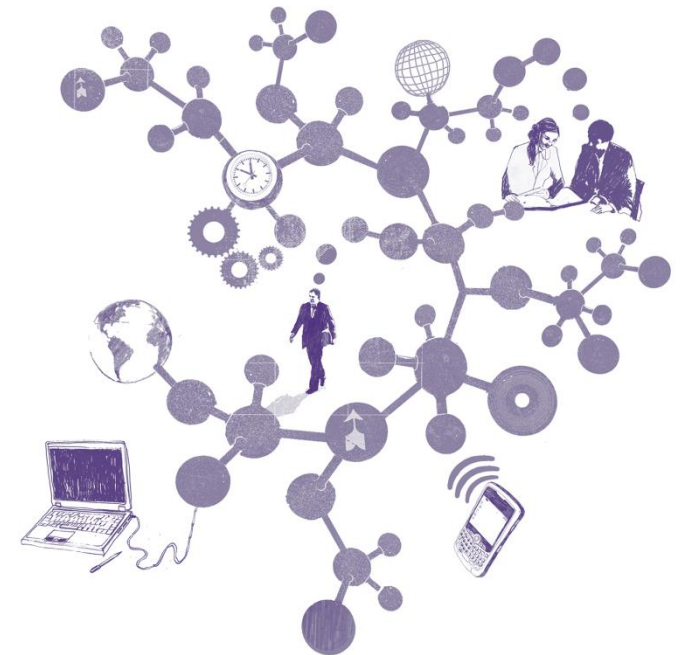
The Annual Audit Letter for Waverley Borough Council

Year ended 31 March 2014

October 2014

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Key messages

Our Annual Audit Letter summarises the key findings arising from the work that we have carried out at Waverley Borough Council (the Council) for the year ended 31 March 2014.

The Annual Audit 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 June 2014 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.

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 17 September 2014 to the Audit Committee. The key messages reported were:</p> <ul style="list-style-type: none">• The Council's draft financial statements were of a high standard.• The Council's excellent working papers and early highlighting of potential financial reporting issues again contributed to the smooth audit process. <p>We issued an unqualified opinion on the Council's 2013/14 financial statements on 29 September 2014, 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 2013/14 on 29 September 2014.</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 2014.</p>

Key messages

Whole of Government Accounts (WGA)	<p>As the specified figures in the Council's financial statements fell below the National Audit Office threshold, a detailed review of the WGA consolidation pack was not required.</p> <p>We were required to check whether the following entries in the WGA return were consistent with the audited statutory accounts:</p> <ul style="list-style-type: none">• Property, Plant and Equipment and Investment Properties• International Accounting Standard 19 Pensions <p>We did not identify any inconsistencies in this information.</p>
Certification of grant claims and returns	<p>We certified one grant claim (Pooling of Housing Capital Receipts) without amendment.</p> <p>We are in the process of finalising the second grant claim (Housing Benefit Subsidy) which we expect to certify in advance of the 30 November 2014 deadline. The detailed findings from completion of this work will be reported in the Certification Report.</p>
Audit fee	<p>Our fee for the opinion audit in 2013/14 was £71,851, excluding VAT which was £900 higher than our planned fee for the year. This was due to an additional fee of £900 in respect of work on material business rates balances following the removal of the certification requirement for the NNDR3 return previously relied on as part of the audit. This is in common with all district councils.</p> <p>Certification work is on-going. The reduction from the previous year reflects the removal of certification requirements in respect of NNDR3. The final fee will be reported to the Audit Committee later in the year in our annual certification report.</p> <p>Further detail is included within Appendix A.</p>

Appendix A: Reports issued and fees

We confirm below the fee charged for the audit and provision of non-audit services.

Fees

	Per Audit plan £	Actual fees £
Audit Fee	70,951	71,851
Grant certification*	16,031	16,031
Total fees	86,982	87,882

There is additional fee of £900 in respect of work on material business rates balances. This additional work was necessary as auditors are no longer required to carry out work to certify NDR3 claims which was relied on as part of the financial statements audit. This is reflected in the reduced grant certification fee in comparison to the previous year (£19,600). The additional fee is 50% of the average fee previously charged for NDR3 certifications for District Councils and is subject to final agreement by the Audit Commission.

*Certification work is on-going. The final fee will be reported to the Audit Committee later in the year in our annual certification report.

Fees for other services

	£
Independent examination of charitable funds	4,000
Decent Homes grant report	4,000
Total	8,000

Reports issued

Report	Date issued
Audit Plan	June 2014
Audit Findings Report	September 2014
Certification Report	Expected November 2014
Annual Audit Letter	October 2014



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