

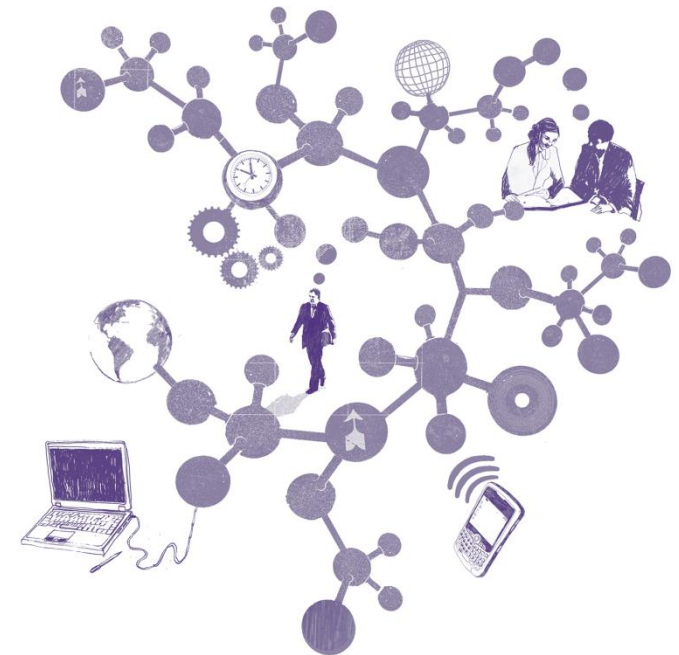
The Annual Audit Letter for Cheltenham Borough Council

Year ended 31 March 2014

21 October 2014

Peter Barber
Engagement Lead
T 0117 305 7897
E peter.a.barber@uk.gt.com

Peter Smith
Audit Manager
T 0117 305 7832
E peter.w.smith@uk.gt.com



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Key messages

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

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 on 10 March 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.

<p>Financial statements audit (including audit opinion)</p>	<p>We reported our findings arising from the audit of the financial statements in our Audit Findings Report on 24th September 2014 to the Audit Committee. The key messages reported were:</p> <ul style="list-style-type: none"> • we identified no material errors in the draft financial statements. • we identified one adjustment which affects the Council's reported financial position (details are recorded in section 2 of this report). The item relates to the incorrect charging of £0.577 million of losses on revaluation to the revaluation reserve rather than the Comprehensive Income and Expenditure Account. The total cost of services is therefore understated by £0.577 million and increases to £13,016 million. Total Comprehensive Income and Expenditure net expenditure of £49.466 million remains unchanged. Further details are set out in section 2 of this report. • we also identified a small number of adjustments to improve the presentation of the financial statements. <p>We issued an unqualified opinion on the Council's 2013/14 financial statements on 29th September 2014, meeting the end of September 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>Value for Money (VfM) conclusion</p>	<p>We issued an unqualified VfM conclusion for 2013/14 on 29th 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	We confirmed that the Council was below the threshold for a full audit review of its Whole of Government Accounts consolidation pack. We confirmed this to the National Audit Office and Audit Commission.
Certification of grant claims and returns	There are 2 claims or returns requiring our certification this year. We certified your Housing Capital Receipts return on 26 September 2014 without issuing a report. Our work to certify the Council's Housing Benefit Subsidy claim is in progress.
Audit fee	Our fee for 2013/14 for the main audit was £62,550, excluding VAT, which was an increase of £900 over the fee reported in our audit plan. This increase was in respect of work on material business rates balances. This work was previously carried out as part of the certification work for the national non domestic rates return and the fee was included within the certification fee in prior years. Further detail is included within Appendix A.

There were no significant recommendations identified from our 2013/14 audit.

Appendix A: Reports issued and fees

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

Fees

	Per Audit plan £	Actual fees £
Audit Fee	64,974	*65,874
Grant certification fee	13,300	**11,780
Total fees	78,274	77,654

*** Fee Variations - business rates** - There is additional fee of £900 (amended from figure in Audit Findings report) 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. The additional fee is 50% of the average fee previously charged for NDR3 certifications for District councils.

****Certification Fees.** Our certification work is still on-going. The final fee will be reported to the Audit Committee early in 2015 as part of the annual certification report.

Fees for other services

Service	Fees £
Review of overspend on Cheltenham's Museum and Art Gallery.	9,480 (excluding VAT)

Reports issued

Report	Date issued
Audit Plan	10 March 2014
Audit Findings Report	24 September 2014
Certification report	January 2015
Annual Audit Letter	8 October 2014



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