



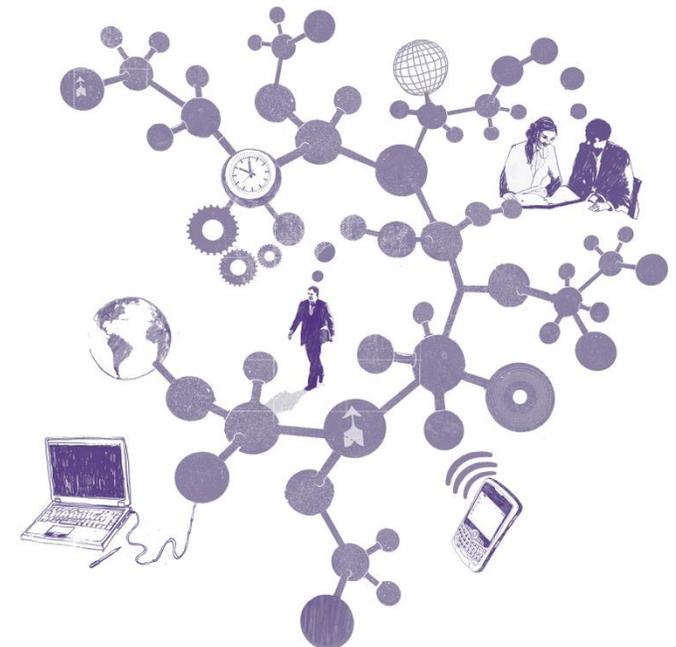
The Annual Audit Letter for Hertsmere Borough Council

Year ended 31 March 2015

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 Hertsmere Borough 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 April 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)

We reported our findings arising from the audit of the financial statements in our Audit Findings Report to the Audit Committee on 21 September 2015.

As in previous years the financial statements were produced to a high standard. Only a small number of audit amendments were required.

The financial statements include a Collection Fund which records income and expenditure relating to business rates and council tax. In the draft financial statements Collection Fund expenditure was based on a provision for appeals against business rates of £5,261,000. Officers updated this provision to take account of additional information received after year end. As a result the provision was reduced by £1,729,000, leading to a number of changes to the accounts. We agreed these adjustments. There were no other issues requiring changes to the Council's primary financial statements.

We issued an unqualified opinion on the Council's 2014/15 financial statements on 29 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.

Key messages continued

Value for Money (VfM) conclusion	<p>We issued an unqualified VfM conclusion for 2014/15 on 29 September 2015.</p> <p>The Council has robust arrangements for budgetary control and monitoring key organisational risks. It has a history of achieving efficiency savings and continues to review the cost-effectiveness of services to support its financial strategy. We concluded that the Council has an effective framework to address financial pressures and deliver its financial strategy over the medium term.</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>
Certification of housing benefit grant claim	<p>For the financial year 2014/15 we are required to certify the Council's housing benefit subsidy claim, which has a certification deadline of 30 November 2015. Our work to certify this claim is still in progress.</p>
Audit fee	<p>Our audit fee for 2014/15 was £65,821, excluding VAT, unchanged from 2013/14.</p> <p>Our work on grant claim certification is still in progress. The indicative fee for grant claim certification work included in our audit plan is £21,720, excluding VAT.</p> <p>Further detail is included within Appendix A.</p>

Appendix A: Reports issued and fees

We confirm below the fees charged for the audit and other services.

Fees for audit services

	Per Audit plan £	Actual £
Council audit	65,821	65,821
Housing benefit grant certification fee*	21,720	TBC
Total audit fees	87,541	TBC

*Our work on the Council's 2014/15 housing benefit claim is still in progress.

Fees for other services

Service	Fees £
Audit related services	None
Non-audit related services <ul style="list-style-type: none">• Work to support the Council's option appraisal process for establishing a Local Authority Property Development Company	12,500

Reports issued

Report	Date issued
Audit Plan	April 2015
Audit Findings Report	September 2015
Annual Audit Letter	October 2015
Certification Report	December 2015 (planned)



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