

# The Annual Audit Letter for North Devon District Council

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**Year ended 31 March 2015**

October 2015

**Elizabeth Cave**

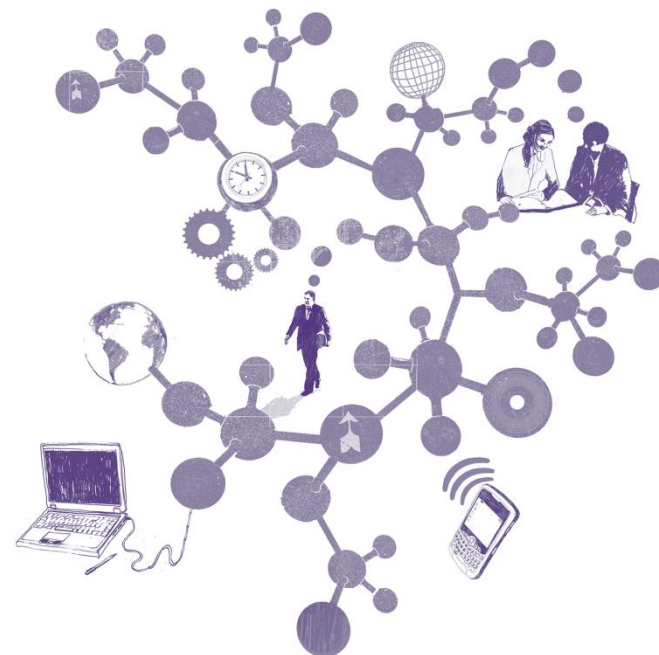
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# Key messages

Our Annual Audit Letter summarises the key findings arising from the work that we have carried out at North Devon District 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 on 29 May 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.

<p><b>Financial statements audit (including audit opinion)</b></p>	<p>We reported our findings arising from the audit of the financial statements in our Audit Findings Report on 22 September 2015 to the Audit Committee. The key messages reported were:</p> <ul style="list-style-type: none"> <li>• the draft accounts were produced to a high standard</li> <li>• the audit was facilitated by good working papers and prompt assistance from the finance team</li> <li>• We did not identify any adjustments affecting the Council's reported financial position and there were no adjusted or unadjusted misstatements identified during the audit.</li> </ul> <p>We issued an unqualified opinion on the Council's 2014/15 financial statements on 24 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.</p>
<p><b>Value for Money (VfM) conclusion</b></p>	<p>We issued an unqualified VfM conclusion for 2014/15 on 24 September 2015.</p> <p>The Council has a good record of financial control and has successfully identified and delivered significant savings in waste and recycling and other areas. The Medium Term Financial Strategy was updated in November 2014 and a further refresh started in September 2015, which will need to address the 2017/18 budget gap.</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>

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## Key messages continued

<b>Certification of housing benefit grant claim</b>	Our work on the Council's housing benefit subsidy claim is in progress and the results of the work will be reported in the Certification Report later this year.
<b>Audit fee</b>	Our fee for 2014/15 was £63,201, excluding VAT which was in line with our planned fee for the year. Further detail is included within appendix B.

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# Appendix A: Key issues and recommendations

This appendix summarises the significant recommendations identified during the 2014/15 audit.

No.	Issue and recommendation	Priority	Management response/ responsible office/ due date
1.	<p>The Council's current Medium Term Financial Strategy shows a budget gap of £0.5m in 2017/18.</p> <p><b>Recommendation:</b> The Council needs to identify detailed savings plans to bridge the budget gap in 2017/18 onwards.</p>	High	<p>A refreshed Medium Term Financial Strategy will be worked on through September/October 2015 with an updated MTFS to go to onto Executive and Full Council.</p> <p>Responsible officer: Head of Financial Services Due date: 30 November 2015</p>

# Appendix B: Reports issued and fees

We confirm below the fees charged for the audit and non-audit services.

## Fees for audit services

	Per Audit plan £	Actual fees £
Council audit	63,201	63,201
Housing benefit grant certification fee*	10,150	10,150
<b>Total audit fees</b>	<b>73,351</b>	<b>73,351</b>

\* work on-going – final fee to be confirmed in our Annual Certification Report

## Fees for other services

Service	Fees £
<b>Audit related services</b>	Nil
<b>Non-audit related services</b>	
• Investors in People (IIP) reaccreditation	2,100

## Reports issued

Report	Date issued
Audit Plan	May 2015
Audit Findings Report	September 2015
Certification Report	December 2015
Annual Audit Letter	October 2015



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