



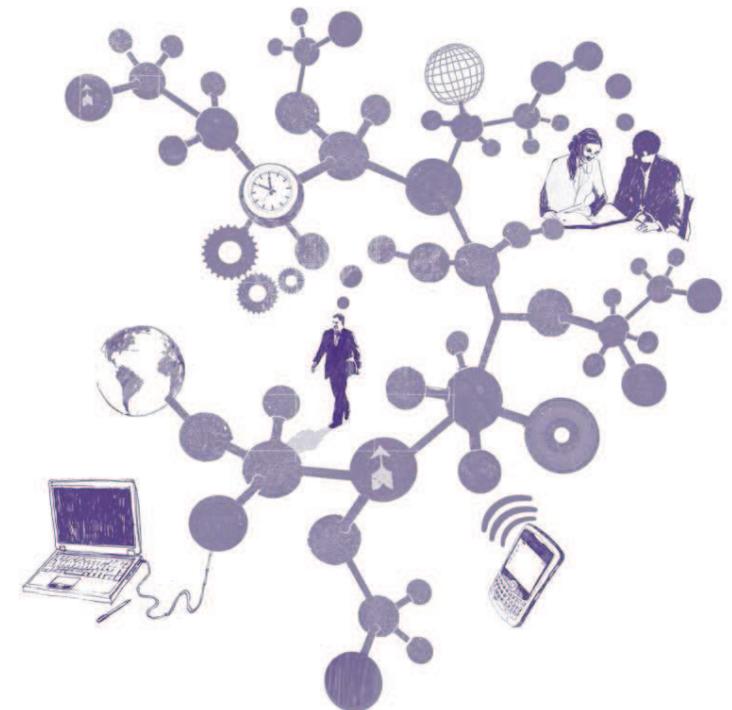
The Annual Audit Letter for St Helens Council

Year ended 31 March 2014

16 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 St Helens Metropolitan 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 22 May 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 29 September 2014 to the Audit and Governance Committee. The key messages reported were:</p> <ul style="list-style-type: none">• the Council provided good quality draft accounts and supporting working papers for audit;• the audit confirmed that the draft accounts contained no material errors and only a small number of presentation and disclosure matters were raised;• management agreed to amend the accounts in response to all matters raised during the audit; and• there were no audit recommendations arising. <p>We issued an unqualified audit 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

Value for Money (VfM) conclusion continued	<p>The Council has sound financial governance arrangements and financial controls in place. There is also a well established approach to strategic financial planning, through the three year medium term financial strategy, which is aligned to the corporate priorities of the Council. The Council has set out a shared vision for the borough in the St Helens Plan 2014-17 that is soundly based. It has shared this Plan with stakeholders and made it the foundation of service planning and budgeting.</p> <p>Having already delivered substantial financial savings, in common with other Councils St Helens now faces further challenges ahead. The Government published its latest local government Grant Settlement in early 2014, which continues support for the Government's austerity plan into a 5th year. The Settlement confirmed that the Council has lost a further £24.9 million in grant support over the next 2 years. By the end of 2015/16 compared to the position in 2010, the Council will have lost £65 million of Central Government revenue grant. These austerity savings will test the Council's strategic planning in the years ahead.</p>
Whole of Government Accounts	<p>We reviewed the consolidation pack which the Council prepared to support the production of Whole of Government Accounts. We reported that the Council's pack was consistent with the audited financial statements.</p>
Certification of grant claims and returns	<p>We are currently auditing the Council's Housing Benefit Grant Claim which is the only certification required by the Audit Commission for 2013/14. The claim is supported by appropriate evidence and staff have responded promptly to any queries raised by us.</p> <p>Outside of the Audit Commission regime we also plan to certify the Council's Teacher's Pension return and S256 NHS Social Care return, both of which require independent certification.</p>
Audit fee	<p>Our total audit fee for 2013/14 was £140,142 for the accounts audit and £17,594 for the planned Housing Benefits certification work. Further detail is included within appendix A.</p>

Appendix A: Reports issued and fees

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

Fees

	Per Audit plan £	Actual fees £
Council audit	138,672	140,142
Grant certification (Housing Benefits)	17,594	17,594
Total audit fees	156,266	157,736

There is additional fee of £1,470 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.

During 2013/14 the Audit Commission issued a fee rebate of £18,977 to St Helens as part of its national efficiencies.

Reports issued

Report	Date issued
Audit Plan	22 May 2014
Audit Findings Report	29 September 2014
Audit opinion and VfM conclusion	29 September 2014
Annual Audit Letter	16 October 2014
Certification Report	January 2015

Fees for other services

Service	Fees £
Teacher's Pension return certification	TBA
S256 NHS Social Care certification	TBA
Total non-audit fees	TBA



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