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# Annual Audit Letter 2014/15

Doncaster Metropolitan Borough Council

October 2015



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This report is addressed to the Authority and has been prepared for the sole use of the Authority. We take no responsibility to any member of staff acting in their individual capacities, or to third parties. The Audit Commission issued a document entitled *Statement of Responsibilities of Auditors and Audited Bodies* summarising where the responsibilities of auditors begin and end and what is expected from audited bodies. We draw your attention to this document which is available on Public Sector Audit Appointment's website ([www.psa.co.uk](http://www.psa.co.uk)).

External auditors do not act as a substitute for the audited body's own responsibility for putting in place proper arrangements to ensure that public business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively.

We are committed to providing you with a high quality service. If you have any concerns or are dissatisfied with any part of KPMG's work, in the first instance you should contact **Sue Sunderland**, the engagement lead to the Authority, who will try to resolve your complaint. If you are dissatisfied with your response please contact the national lead partner for all of KPMG's work under our contract with Public Sector Audit Appointments Limited, Trevor Rees (on 0161 246 4000, or by email to [trevor.rees@kpmg.co.uk](mailto:trevor.rees@kpmg.co.uk)). After this, if you are still dissatisfied with how your complaint has been handled you can access PSAA's complaints procedure by emailing [generalenquiries@psaa.co.uk](mailto:generalenquiries@psaa.co.uk), by telephoning 020 7072 7445 or by writing to Public Sector Audit Appointments Limited, 3rd Floor, Local Government House, Smith Square, London, SW1P 3HZ.

**This report summarises the key findings from our 2014/15 audit of Doncaster Metropolitan Council (the Authority).**

**Although this letter is addressed to the Members of the Authority, it is also intended to communicate these issues to key external stakeholders, including members of the public.**

**Our audit covers the audit of the Authority's 2014/15 financial statements and the 2014/15 VFM conclusion.**

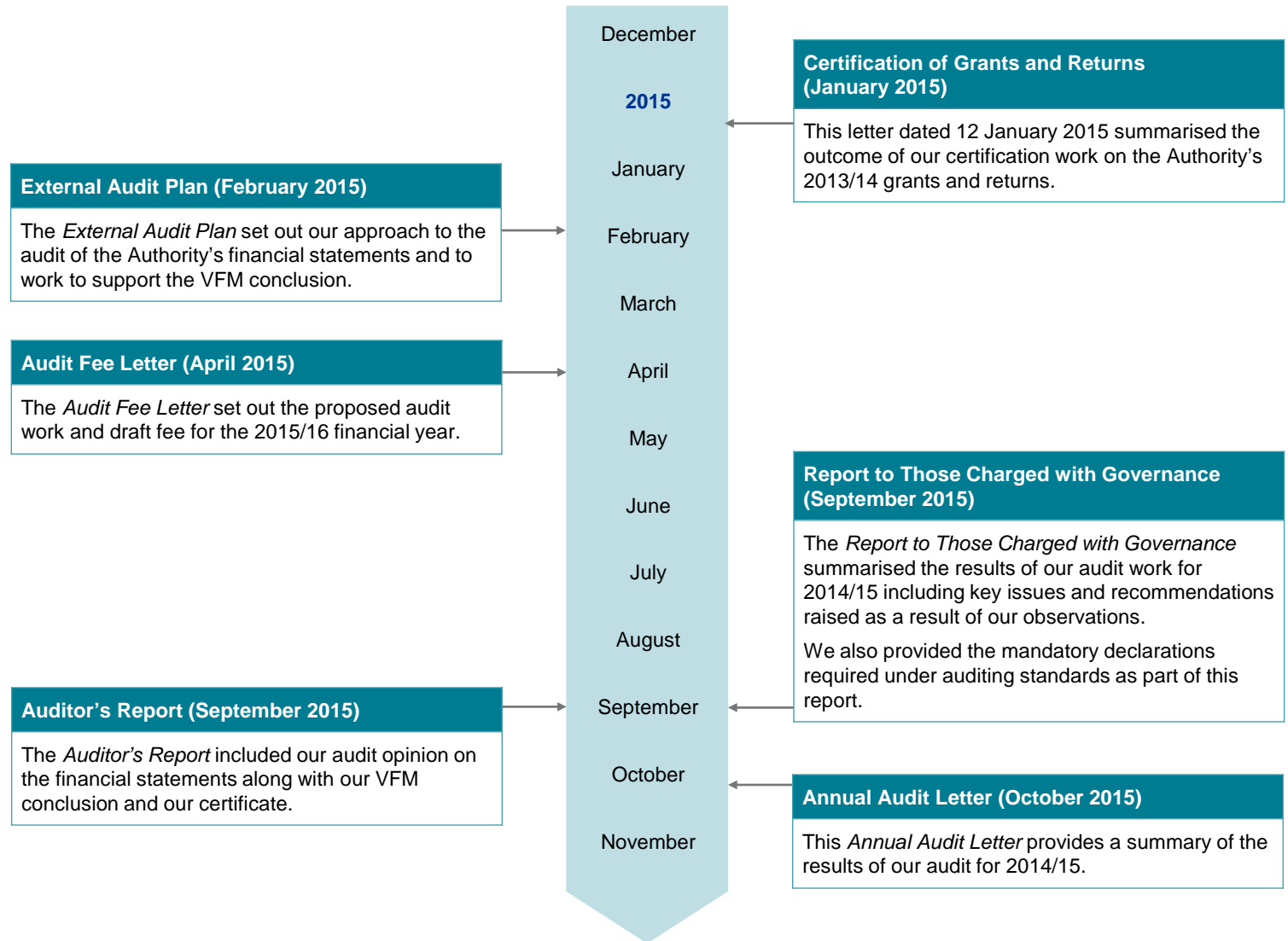
<b>VFM conclusion</b>	<p>We issued an unqualified conclusion on the Authority's arrangements to secure value for money (VFM conclusion) for 2014/15 on 28 September 2015. This means we are satisfied that that Authority had proper arrangements for securing financial resilience and challenging how it secures economy, efficiency and effectiveness.</p> <p>To arrive at our conclusion we looked at the Authority's financial governance, financial planning and financial control processes, as well as the arrangements for prioritising resources.</p>
<b>VFM risk areas</b>	<p>We undertook a risk assessment as part of our VFM audit work to identify the key areas impacting on our VFM conclusion and considered the arrangements you have put in place to mitigate these risks.</p> <p>Our initial risk assessment work at the planning stage of the audit identified the following significant matters:</p> <ul style="list-style-type: none"> <li>■ Challenges linked to the ongoing need to deliver savings and cost reductions to maintain financial resilience.</li> <li>■ the management of the transition of services to the Children's Trust during 2014/15</li> <li>■ The implementation of the Better Care Fund with Doncaster Clinical Commissioning Group</li> </ul> <p>The Authority delivered an underspent outturn at the end of 2014/15 and, although this contained one off savings, it once again demonstrated the Authority's success in identifying and delivering its savings plans. Only savings that can be permanently delivered have been built into the budget to address the remaining £70.5m gap and the Authority is currently broadly on target to deliver a balanced outturn for 2015/16 and further work has been completed to ensure that the Authority is able to propose a balanced budget for 2016/17 and meet the remaining savings required of £12m.</p> <p>The arrangements for the outsourcing of the Children's and Young People's Services has gone through an appropriate process. There is periodic reporting to Cabinet in place and relationships between the Trust and the Council are developing.</p> <p>The Council has joint arrangements in place to monitor the delivery of the Better Care fund during 2015/16 and is currently carrying out a governance review to ensure it is complying with best practice.</p>
<b>Audit opinion</b>	<p>We issued an unqualified opinion on the Authority's financial statements on 28 September 2015. This means that we believe the financial statements give a true and fair view of the financial position of the Authority and of its expenditure and income for the year.</p>
<b>Financial statements audit</b>	<p>We identified one material misstatement in the course of the audit which was presentational in nature and was corrected by officers.</p> <p>The Authority has again produced good quality accounts, well supported by working papers. In particular, the Authority has produced and made available its working papers electronically, which greatly facilitates our audit. Officers dealt efficiently with audit queries and the audit process has been completed within the planned timescales.</p>

All the issues in this Annual Audit Letter have been previously reported. The detailed findings are contained in the reports we have listed in Appendix 1.

Annual Governance Statement	We reviewed your <i>Annual Governance Statement</i> and concluded that it was consistent with our understanding.
Whole of Government Accounts	The Authority prepares a consolidation pack to support the production of Whole of Government Accounts by HM Treasury. We reported that the Authority's pack was consistent with the audited financial statements.
High priority recommendations	We raised no high priority recommendations as a result of our 2014/15 audit work.
Certificate	We issued our certificate on 1 October 2015. The certificate confirms that we have concluded the audit for 2014/15 in accordance with the requirements of the <i>Audit Commission Act 1998</i> and the Audit Commission's <i>Code of Audit Practice</i> .
Audit fee	Our fee for 2014/15 was £219,792, excluding VAT. Further detail is contained in Appendix 2.

## Appendix 1: Summary of reports issued

This appendix summarises the reports we issued since our last *Annual Audit Letter*.



**This appendix provides information on our final fees for the 2014/15 audit.**

To ensure transparency about the extent of our fee relationship with the Authority we have summarised below the outturn against the 2014/15 planned audit fee.

**External audit**

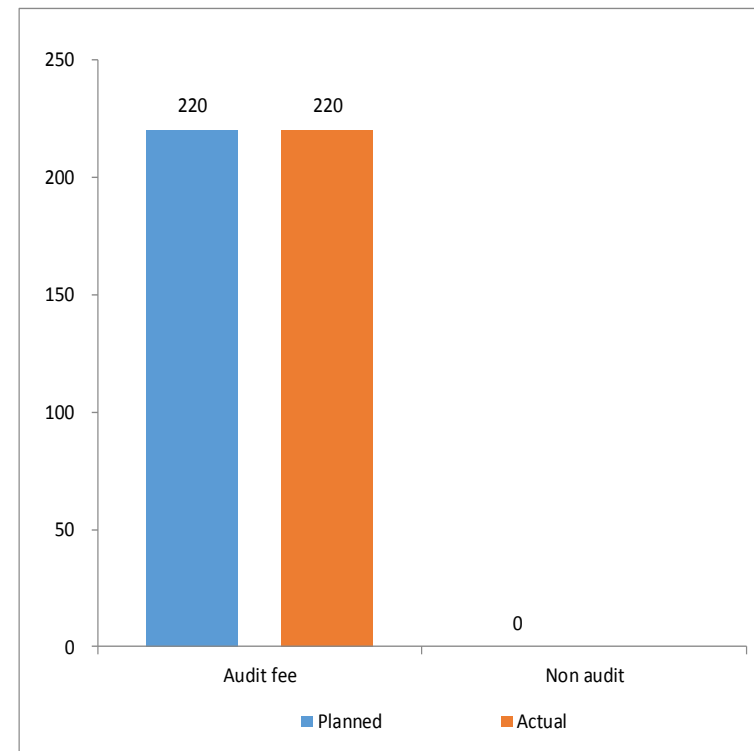
Our final fee for the 2014/15 audit was £219,792, which includes the additional £1,472 incorporated into the scale fee by the Audit Commission linked to the increased audit requirements around NNDR.

**Certification of grants and returns**

Under our terms of engagement with Public Sector Audit Services (PSAA Ltd) we undertake prescribed work in order to certify the Authority's housing benefit grant claim. This certification work is still ongoing. The final fee will be confirmed through our reporting on the outcome of that work in January 2016. During 2014/15 we charged for the audit of the Teacher's Pensions grant claim (£3,250), the audit of the Teacher Training Grant return (£,3500) and the audit of the Homes and Community Agency Backlog Funding Grant (£1,600) – all of which fall outside of the PSAA Ltd fee structure.

**Other services**

We did not charge any additional fees for other services.





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