

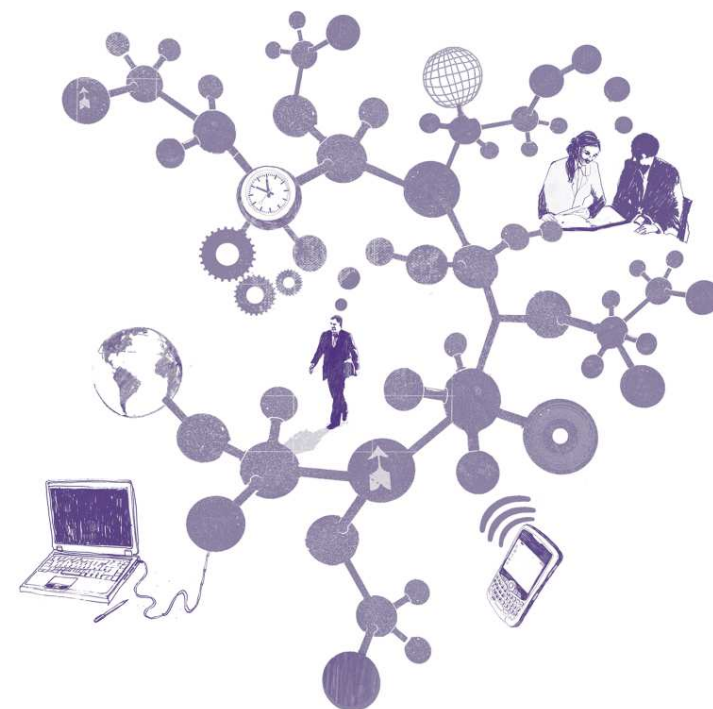


The Annual Audit Letter for West Lancashire Borough Council

Year ended 31 March 2015

26th October 2015

Karen Murray
Engagement Lead
T 0161 234 6364
E karen.l.murray@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 West Lancashire 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 on 24th March 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 on 29th September 2015 to the Audit & Governance Committee. The key messages reported were:

- We anticipated providing an unqualified opinion on the financial statements.
- We identified no adjustments affecting the Council's reported financial position.
- The accounts presented for audit were accurate and well presented

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

Looking forward

The Council will continue to face a number of challenges in to 2015/16 and beyond and include:

- Ensuring that appropriate plans are in place to value transport infrastructure assets in accordance with the Code of Practice on Transport Infrastructure Assets from 2016/17 onwards. This requirement is likely to result in significant changes to local authority financial statements with estimates of the cumulative impact nationally ranging from £200 - £400bn. We will continue to work with the Council as we progress towards the implementation date. We will discuss with you the issues arising and the plans you put in place to address these matters.

Key messages continued

	<ul style="list-style-type: none"> Meeting the significant challenges brought about by the requirement to bring forward the accounts publication date from 30 September to 31 July for the 2017-18 accounts and onwards. Moving the timetable forward by two months will require the Council to review its final accounts closedown processes. We will work with the Council to agree a suitable timetable and help identify key actions to achieve the required outcome.
<p>Value for Money</p>	<p>We issued an unqualified Value for Money conclusion on 29 September 2015.</p> <p>The Council continues to demonstrate good financial performance, despite the financial and demographic pressures facing Local Government. There are good financial planning and review processes in place, and a track record of delivering financial plans and savings. However, there are financial pressures in delivering the Business Plan from 2016/17 onwards. Looking ahead over the next two years, on-going reductions in government funding, together with cost pressures from inflation and new commitments, will require the Council to continue to explore innovative ways to deliver services, as part of a savings programme of some £2.126m over 2016/17 and 2017/18.</p> <p>The Executive and Senior Management demonstrate clear leadership and challenge to prioritise the Council's resources. The Council continues to work well with partners across Local Government to prioritise resources effectively and deliver efficiencies. The agreements with BT Lancashire Services and Wigan MBC are examples of the partnership model working to deliver support services. The Council is also exploring options to work innovatively to deliver key elements of the agenda, particularly with around economic regeneration and housing across the Borough.</p>
<p>Certification of housing benefit grant claim</p>	<p>Work on the Housing Benefits Subsidy return is underway and we expect to complete this in time for the certification deadline of 30 November.</p>
<p>Audit fee</p>	<p>Our fee for 2014/15 was £57,428 excluding VAT which was in line with our planned fee for the year. The scale fee for our work to certify the Housing Benefit Subsidy return is £14,450 (excluding VAT). Further detail is included within appendix A.</p>

Appendix A: 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 £
Audit Fee	57,428	57,428
Housing benefit subsidy certification fee (*)	14,450	14,450
Total audit fees	71,988	71,988

Grants Certification Fees

The fee shown for the Housing Benefit Subsidy return is the scale fee. We will confirm the final fee on completion of the work.

Reports issued

Report	Date issued
Audit Plan	24th March 2015
Audit Findings Report	29th September 2015
Certification Report	Due January 2016
Annual Audit Letter	19th October 2015



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