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Annual Audit Letter 2010/11

Wyre Borough Council

14 December 2011

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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 has issued a document entitled *Statement of Responsibilities of Auditors and Audited Bodies*. This summarises where the responsibilities of auditors begin and end and what is expected from the audited body. We draw your attention to this document which is available on the Audit Commission's website at www.auditcommission.gov.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.

If you have any concerns or are dissatisfied with any part of KPMG's work, in the first instance you should contact Trevor Rees, the appointed engagement lead to the Authority, who is also the national contact partner for all of KPMG's work with the Audit Commission. After this, if you are still dissatisfied with how your complaint has been handled you can access the Audit Commission's complaints procedure. Put your complaint in writing to the Complaints Unit Manager, Audit Commission, Westward House, Lime Kiln Close, Stoke Gifford, Bristol, BS34 8SR or by email to complaints@audit-commission.gov.uk. Their telephone number is 0844 798 3131, textphone (minicom) 020 7630 0421.

This report summarises the key findings from our 2010/11 audit of Wyre Borough 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.

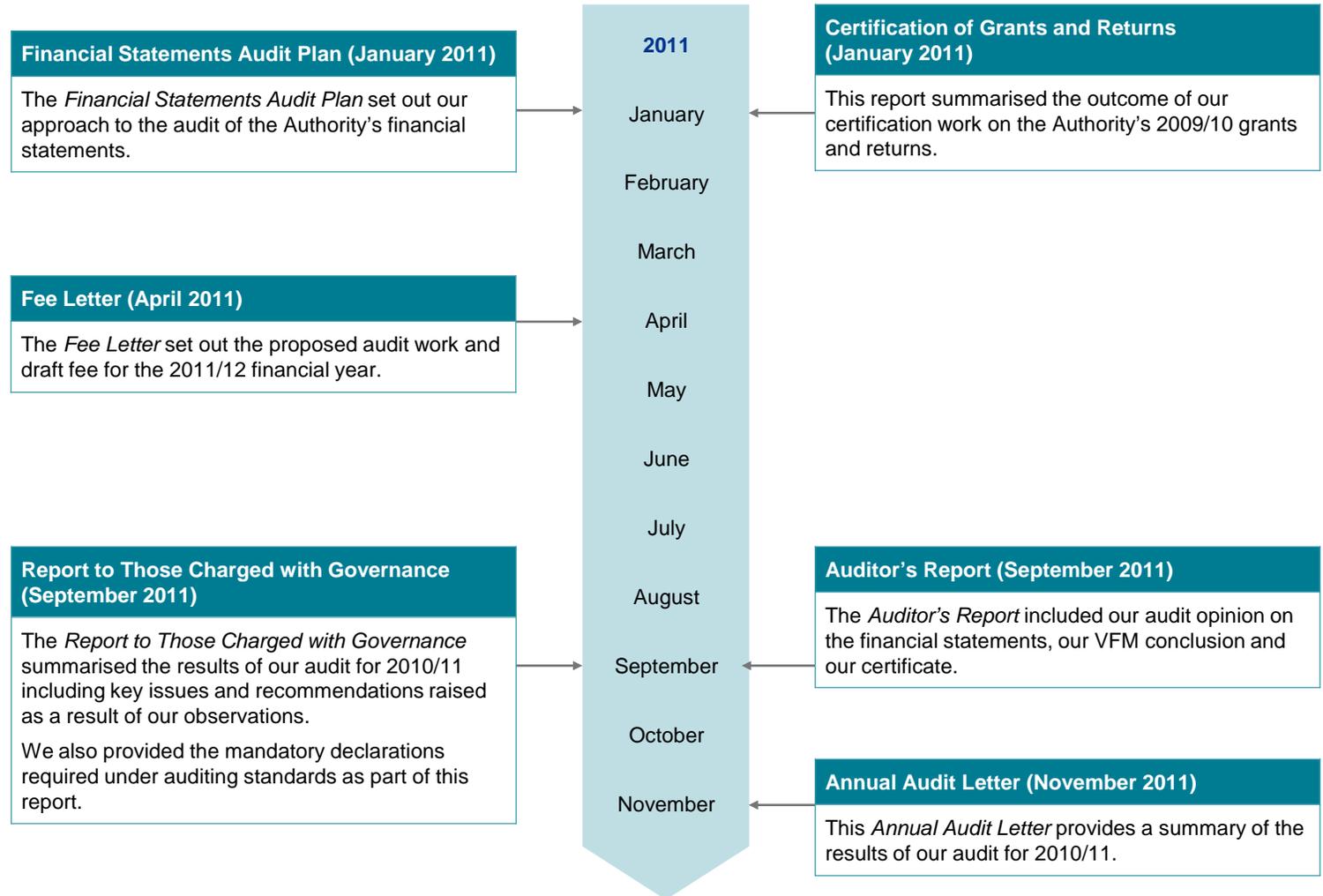
Our audit covers the audit of the Authority's 2010/11 financial statements and the 2010/11 VFM conclusion.

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

| | |
|------------------------------------|--|
| VFM conclusion | <p>We issued an unqualified value for money ('VFM') conclusion for 2010/11 on 20 September 2011.</p> <p>This means we are satisfied that you have proper arrangements for securing financial resilience and challenging how you secure economy, efficiency and effectiveness.</p> <p>To arrive at our conclusion we looked at your financial governance, financial planning and financial control processes, as well as how you are prioritising resources and improving efficiency and productivity.</p> |
| Audit opinion | <p>We issued an unqualified opinion on your financial statements on 20 September 2011. 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> |
| Financial statements audit | <p>This year's financial statements were the first to be prepared under International Financial Reporting Standards (IFRS). The Authority made good progress in moving from UK GAAP to IFRS. Like most local authorities, the Authority has prepared their financial statements, whilst under pressure from funding cuts introduced by the local government settlement announced in late 2010.</p> <p>We identified only one item requiring a presentational and disclosure adjustment and this was corrected by the Authority. This adjustment had no impact on the General Fund.</p> |
| Annual Governance Statement | <p>We reviewed your <i>Annual Governance Statement</i> and concluded that it was consistent with our understanding.</p> |
| Recommendations | <p>We are pleased to report that we have made no recommendations in 2010/11.</p> |
| Certificate | <p>We issued our certificate on 20 September 2011.</p> <p>The certificate confirms that we have concluded the audit for 2010/11 in accordance with the requirements of the <i>Audit Commission Act 1998</i> and the Audit Commission's <i>Code of Audit Practice</i>.</p> |
| Audit fee | <p>Our external audit fee for 2010/11 is £112,252, excluding VAT. This is the same as the initial fee agreed in the Annual Audit Plan in April 2010. The Audit Commission also issued a £6,660.30 rebate against this fee for IFRS.</p> <p>Our fee for the certification of grants and returns is estimated to be £20,000. This will be finalised once the housing benefit BEN01 return has been submitted at the end of November 2011.</p> <p>Further detail is contained in Appendix 2.</p> |

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 2010/11.

To make sure that there is openness between us and your Audit Committee about the extent of our fee relationship with you, we have summarised below the outturn against the 2010/11 planned external audit fee.

External audit

Our final fee for the 2010/11 audit of the Authority was £112,252, excluding VAT. This is the same as the initial fee agreed in the high level audit strategy in April 2010. The authority subsequently received a rebate from the Audit Commission of £6,660.30 to recognise some of the costs incurred by the authority with the conversion to IFRS.

Certification of grants and returns

Our fee for the certification of grants and returns is estimated to be £20,000. This will be finalised once the housing benefit BEN01 return has been submitted at the end of November 2011.



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