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# Annual Audit Letter 2013/14

Surrey Heath Borough Council

October 2014



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## Report sections

- Headlines

## Appendices

1. Summary of reports issued
2. Audit fees

## Page

2

3

4

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](http://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 Fleur Nieboer, the appointed engagement lead to the Authority, who will try to resolve your complaint. If you are dissatisfied with your response please contact Trevor Rees on 0161 246 4000, or by email to [trevor.rees@kpmg.co.uk](mailto:trevor.rees@kpmg.co.uk), who is 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, 3<sup>rd</sup> Floor, Fry Building, 2 Marsham Street, London, SW1P 4DF or by email to [complaints@audit-commission.gsi.gov.uk](mailto:complaints@audit-commission.gsi.gov.uk). Their telephone number is 0303 4448 330.

This report summarises the key findings from our 2013/14 audit of Surrey Heath Borough Council (the Authority).

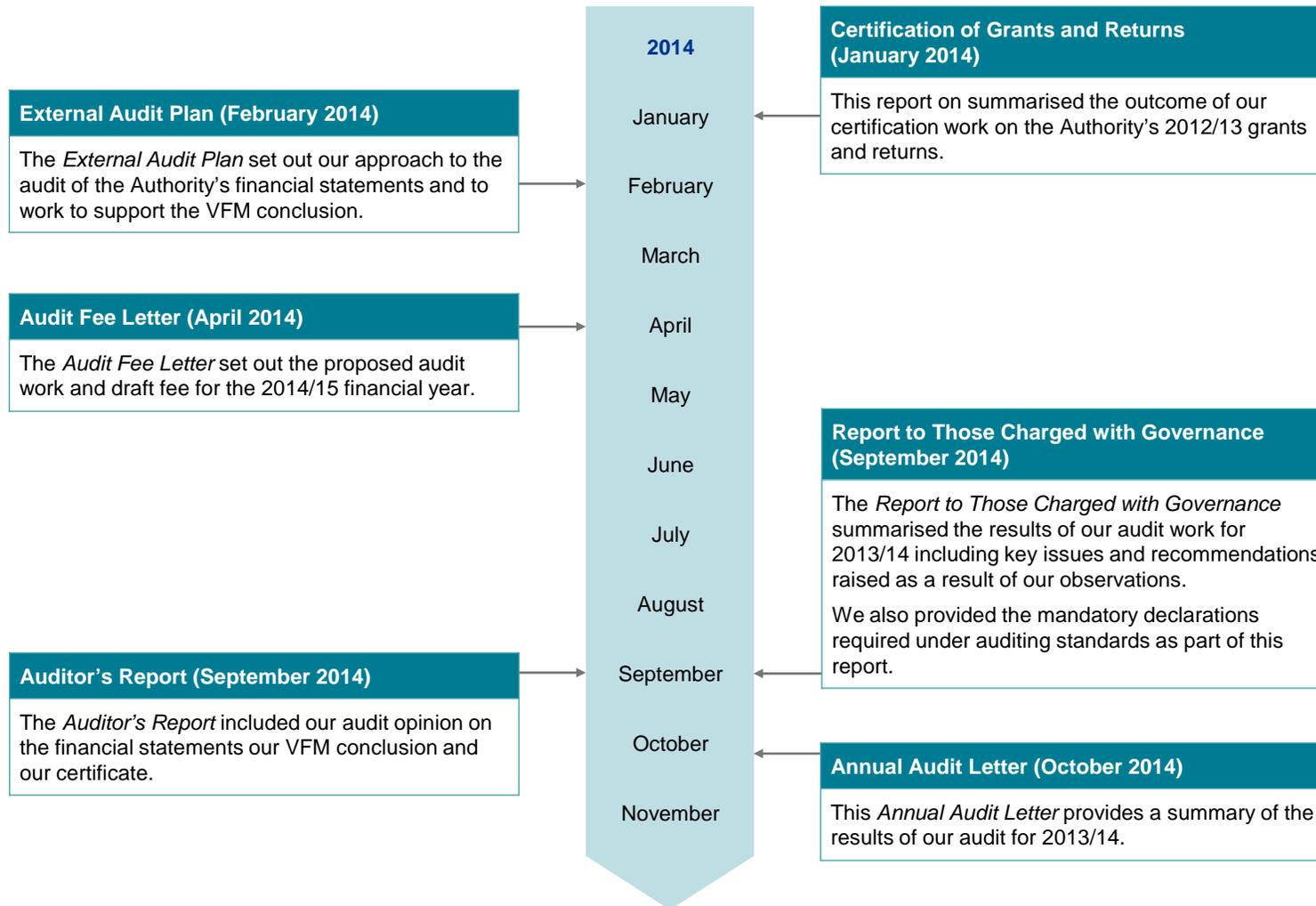
Although this letter is addressed to the Members of the Authority, it is also intended to communicate these issues to key external stakeholders, including members of the public.

Our audit covers the audit of the Authority's 2013/14 financial statements and the 2013/14 VFM conclusion.

|                             |   |
|-----------------------------|---|
| VFM conclusion              | <p>We issued an unqualified conclusion on the Authority's arrangements to secure value for money (VFM conclusion) for 2013/14 on 30 September 2014. 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 30 September 2014. 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>The audit of the financial statements did not identify any material adjustments. The Authority made a small number of non-material adjustments, most of which were of a presentational nature. There was no impact on the General Fund.</p> <p>The Authority has good processes in place for the production of the accounts and good quality supporting working papers for most sections. Some areas for improvement were identified for future audits and these were agreed with the Authority to take forward.</p> <p>We raised one low priority recommendation.</p> |
| Annual Governance Statement | <p>We reviewed your <i>Annual Governance Statement</i> and concluded that it was consistent with our understanding.</p>   |
| Certificate                 | <p>We issued our certificate on 30 September 2014</p> <p>The certificate confirms that we have concluded the audit for 2013/14 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 fee for 2013/14 was £54,967 excluding VAT. This is in line with our planned fee and represents no increase from the prior year. Further detail is contained in Appendix 3.</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 2013/14.**

To ensure openness between KPMG and your Performance and Audit Scrutiny about the extent of our fee relationship with you, we have summarised the outturn against the 2013/14 planned audit fee.

**External audit**

Our final fee for the 2013/14 audit was £54,967. This compares to a planned fee of £54,967.

**Certification of grants and returns**

Our grants work is still ongoing and the fee will be confirmed through our report on the *Certification of Grants and Returns 2013/14* which we are due to issue in January 2015.

**Other services**

No other services were provided by the external auditor during 2013/14.



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