

# The Annual Audit Letter for Warwickshire County Council

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**Year ended 31 March 2015**

21 October 2014

**John Gregory**

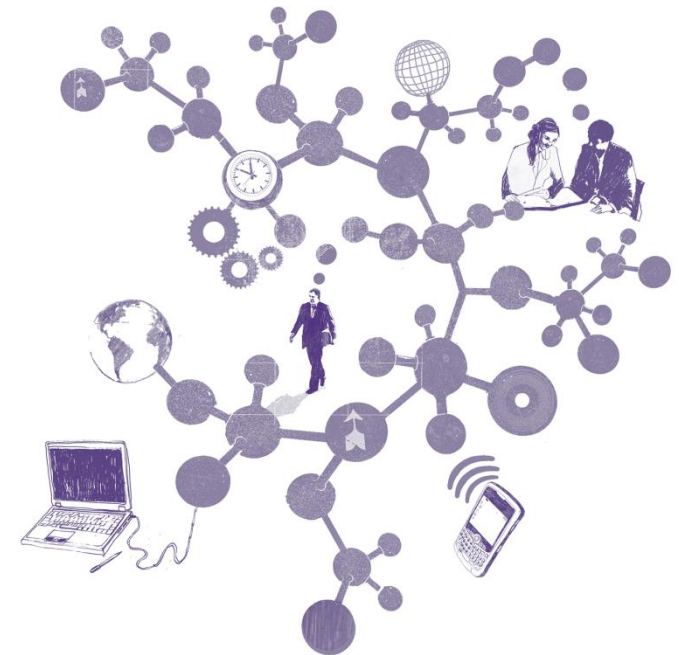
Director  
T 0121 232 5333  
E [john.gregory@uk.gt.com](mailto:john.gregory@uk.gt.com)

**Andrew Reid**

Senior Manager  
T 0121 232 5289  
E [andrew.s.reid@uk.gt.com](mailto:andrew.s.reid@uk.gt.com)

**Helen Lillington**

Manager  
T +44 (0)121 232 5312  
E [helen.m.lillington@uk.gt.com](mailto:helen.m.lillington@uk.gt.com)



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# Contents

<b>Section</b>	<b>Page</b>
1. Key messages	3

## **Appendices**

- A How we have worked with you during the year
- B Summary of reports and audit fees

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# Key messages

Our Annual Audit Letter summarises the key findings arising from the work that we have carried out at Warwickshire County 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 29 January 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 9 September 2015 to the Audit and Standards Committee. The key messages reported were:

- We have identified no adjustments affecting the Council's reported financial position.
- The Council's draft accounts were prepared to a good standard. We identified only presentational or disclosure amendments to the accounts as a result of the audit process.

We issued an unqualified opinion on the Council's 2014/15 financial statements on 28 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.

# Key messages continued

## **Pension Fund Financial statements audit (including audit opinion)**

We reported our findings arising from the audit of the financial statements in our Audit Findings Report on 9 September 2015 to the Audit and Standards Committee. The key messages reported were:

- We did not identify any adjustments affecting the Fund's reported financial position,
- Working papers have continued to improve and are generally of a high standard,
- The draft accounts were presented for audit in accordance with the agreed timetable and contained minimal errors. This demonstrates a continued improvement in quality from prior years,
- We noted a number of matters in relation to investments, none of which were material, and
- A variety of minor errors were identified during our substantive testing of member data.

We issued an unqualified opinion on the Fund's 2014/15 financial statements on 28 September 2015, meeting the deadline set by the Department for Communities and Local Government. Our opinion confirmed that the financial statements give a true and fair view of the Fund's financial position.

## Key messages continued

<b>Value for Money (VfM) conclusion</b>	<p>We issued an unqualified VfM conclusion for 2014/15 on 28 September 2015.</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 2015.</p> <p>Overall our work highlighted that the Council is facing consideration challenges around its medium term financial resilience but has responded effectively through the development and agreement of its One Organisational Plan “Shaping the Future” financial strategy which covers the period 2014 to 2018. It has made good progress in delivery of the first year of this plan, and was able to secure savings of £18m in 2014/15.</p>
<b>Whole of Government Accounts</b>	<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>
<b>Audit fee</b>	<p>Our total audit fee for the audit of the County Council and the Pension Fund for 2014/15 was £156,097, excluding VAT, which was in line with our planned fee for the year. We also charged an additional fee in relation to the objection to the Council's 2013/14 accounts. Further detail is included within appendix B.</p>

# Appendix A: How we have worked with you during the year

## Senior officer team

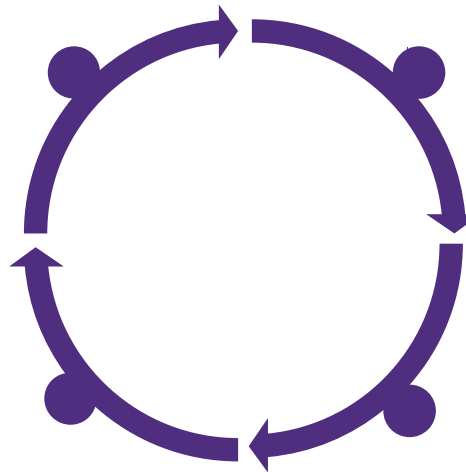
### We:

- met regularly with the Head of Finance to discuss some of your major projects and to share our insight into national Local Government issues
- shared our annual reports on Local Government Governance and Financial Resilience
- shared our understanding of some of the key issues facing Local Government through our thought leadership reports covering Welfare Reform, Alternative Delivery Models, Financial Sustainability in Local Government and Devolution.
- shared technical knowledge, provided early warning on key risks and provided an opportunity to network with other Local Government bodies at our workshops covering taxation issues, building a successful local authority trading company, Local Government financial self sufficiency and 20:20 vision.
- introduced you to relevant colleagues within other Grant Thornton service lines, who are able to offer insights on specific areas
- through your officers, supported the Association of Democratic Services Officers, speaking at the West Midlands ADSO conference.
- met with the Warwickshire Financial Officers Group to provide an update on current development in external audit requirements.

## Audit committee Members

### We:

- met regularly with the Audit Committee to ensure you were kept up to date with the audit progress, as well as emerging issues affecting the wider Local Government Sector
- invested in regular dialogue with the audit committee to ensure there were no surprises and to maintain a robust and independent stance
- provided independent external audit commentary and insight on the Council's issues through senior attendance at audit committee
- provided regular, timely and transparent reports from our work and briefing notes on key sector developments
- provided a specific presentation to the Committee on our national Financial Resilience report.



# Appendix B: 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 £
Council audit	126,052	126,052
Objection to the 2013/14 accounts	-	4,815*
<b>Total Council audit fees</b>	<b>126,052</b>	<b>130,867</b>
Pension fund scale fee	23,892	23,892
Pension fund fee variation	1,328	1,328
<b>Total pension fund audit fee</b>	<b>25,220</b>	<b>25,220</b>
<b>Total audit fees</b>	<b>151,272</b>	<b>156,097</b>

\* Fee subject to agreement by Public Sector Audit Appointments Ltd

## Fees for other services

Service	Fees £
<b>Audit related services</b>	
• Teachers Pension grant certification	4,200

## Reports issued

Report	Date issued
Audit Plan	January 2015
Audit Findings Report	August 2015
Annual Audit Letter	October 2015



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