



# The Annual Audit Letter for Dartford Borough Council

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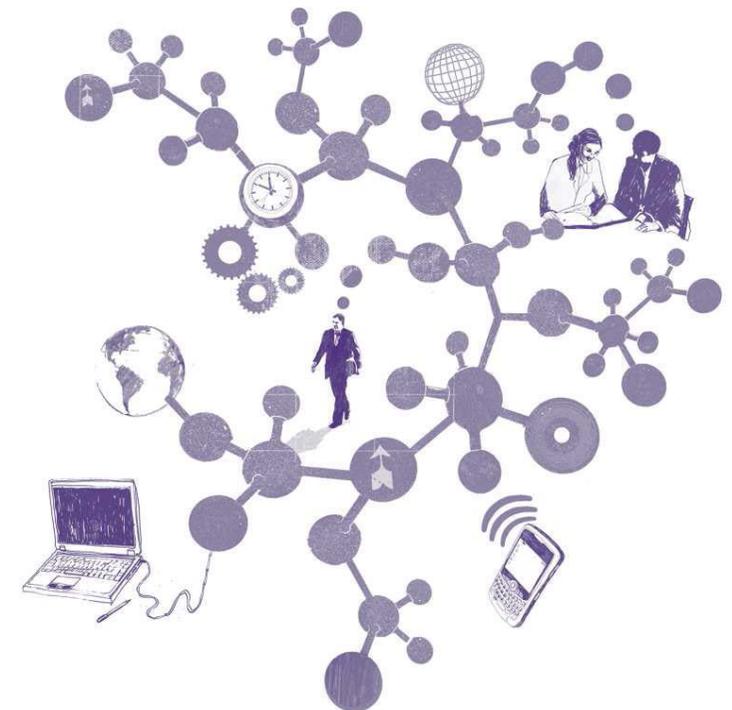
**Year ended 31 March 2015**

October 2015

**Andy Mack**  
Engagement Lead  
T 020 7728 3299  
E [Andy.L.Mack@uk.gt.com](mailto:Andy.L.Mack@uk.gt.com)

**Lisa Robertson**  
Engagement Manager  
T 020 7728 3341  
E [Lisa.E.Robertson@uk.gt.com](mailto:Lisa.E.Robertson@uk.gt.com)

**Thomas Slaughter**  
Engagement In-Charge  
T 020 7383 2972  
E [Thomas.M.Slaughter@uk.gt.com](mailto:Thomas.M.Slaughter@uk.gt.com)



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# Contents

<b>Section</b>	<b>Page</b>
1. Key messages	3
<b>Appendices</b>	
A Key issues and recommendations	5
B Summary of reports and audit fees	6

# Key messages

Our Annual Audit Letter summarises the key findings arising from the work that we have carried out at Dartford 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 in 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.

<b>Financial statements audit (including audit opinion)</b>	<p>We reported our findings arising from the audit of the financial statements in our Audit Findings Report on 23 September 2015 to the Audit Board. The key messages reported were:</p> <ul style="list-style-type: none"><li>• the Council produced a good set of accounts supported by working papers. Staff responded quickly and helpfully to queries;</li><li>• the accounts were adjusted to correct the overstatement of an unrealised gain on sale of properties of £1.1m with no overall impact on the General Fund balance; and</li><li>• a small number of other adjustments to the financial statements were identified to improve the presentation and disclosures of the financial statements.</li></ul> <p>We issued an unqualified opinion on the Council's 2014/15 financial statements on 24 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.</p>
<b>Value for Money (VfM) conclusion</b>	<p>We issued an unqualified VfM conclusion for 2014/15 on 24 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>

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## Key messages continued

<b>Certification of housing benefit grant claim</b>	We are currently completing our work to certify the Council's 2014/15 housing benefit grant claim by the 30 November 2015 deadline. We will report our findings on the Annual Certification Report to the Audit Board.
<b>Audit fee</b>	Our fee for 2014/15 was £61,873, excluding VAT which was in line with our planned fee for the year and prior year. Further detail is included within appendix B.

# Appendix A: Key issues and recommendations

This appendix summarised the significant recommendations identified during the 2014/15 audit.

No.	Issue and recommendation	Priority	Management response/ responsible office/ due date
1.	<p>Looking ahead, the statutory deadline for sign off audit opinions moves forward to 31 July in 2017/18. The Council will need to produce draft statements by 31 May.</p> <p><b>Recommendation:</b> The Council should consider arrangements required to bring forward the timescale for closure of the financial statements, in readiness for statutory early closure in 2017/18.</p>	High	<p>In order to prepare for the new early closure requirements in 2017/18 the Financial Services Team will continue to review closedown practices and timetables in order to bring forward the timescale for closure of the financial accounts.</p> <p>Responsible office: Financial Services Manager Due date: 30 November 2015</p>
2.	<p>We identified that income was incorrectly recognised in relation to the discounted sales scheme in respect of 23 properties where sale had yet to complete as at 31 March 2015.</p> <p><b>Recommendation:</b> The Council should establish a process for obtaining accurate and timely information from Taylor Wimpey and Persimmon regarding property sales at the Bridge housing development in relation to the discounted sales scheme.</p>	High	<p>We will discuss the data requirements with Taylor Wimpey and Persimmon and make the necessary arrangements to ensure we receive up to date, regular and appropriate information.</p> <p>Responsible office: Financial Services Manager Due date: 30 November 2015</p>

# 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	61,873	61,873
Housing benefit grant certification fee	21,980	24,980*
<b>Total audit fees</b>	<b>83,853</b>	<b>86,853*</b>

## Fees for other services

Service	Fees £
<b>Audit related services</b>	
Certification of pooling of housing capital receipts return	Tbc*
<b>Non-audit related services</b>	Nil

\*\* Additional fees of £3,000 are expected to be charged in respect of additional testing performed in relation to the BEN01 housing benefit grant claim. This work is on-going and is subject to an additional testing being required and to agreement of the fee increase with Public Sector Audit Appointments Ltd. The final fee will be reported to the Audit Board in our annual certification report on completion of this work.

## Reports issued

Report	Date issued
Audit Plan	March 2015
Audit Findings Report	September 2015
Certification Report	Planned December 2015
Annual Audit Letter	October 2015



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