

The Annual Audit Letter for Maidstone Borough Council

Year ended 31 March 2015

October 2015

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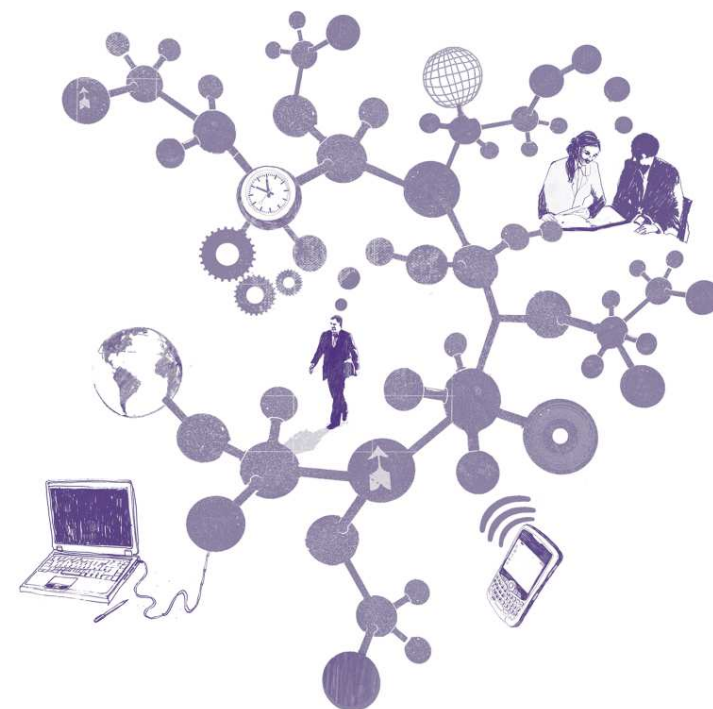
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Key messages

Our Annual Audit Letter summarises the key findings arising from the work we have carried out at Maidstone 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 our Audit Plan that we issued to you on 30 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 21 September 2015 to the Audit, Governance and Standards Committee. The key messages reported were:

- the Council provided a good quality set of financial statements for audit accompanied by comprehensive working papers in line with the agreed timetable. Officers responded promptly to audit queries, enabling us to complete fieldwork in a timely and efficient manner.
- Officers identified a material change to debtors and creditors which did not affect the general fund outturn position, before we started our work.
- We identified some minor changes to disclosures which the Council corrected in the final set of financial statements.

We issued an unqualified opinion on the Council's 2014/15 financial statements on 23 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

Value for Money (VfM) conclusion	<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. We therefore issued an unqualified VfM conclusion for 2014/15 on 23 September 2015.</p> <p>We reported the key messages from our audit work in the same Audit Findings Report. Overall, the Council has sound processes in place to ensure its continued financial resilience, but in common with the rest of the sector, it continues to face significant financial pressures to balance its budgets over the five years covered by its medium term financial strategy. The Council needs to continue to explore different approaches, including more transformational change to providing services, to bridge the required savings gap in later years. Work is in progress on this. The Council spent £4.427m on capital projects compared to an original estimate of £11.67m. This is a significant variance to the original budget. Slippage in the capital programme may mean that resources are not being used to best effect. The Council should ensure greater scrutiny of the capital budget to ensure that this is achievable within the planned timeframe. We concluded the Council has adequate arrangements in place to prioritise its resources and to improve efficiency and productivity.</p>
Certification of housing benefit grant claim	<p>Our work on the Council's 2014/15 housing benefit grant claim is in progress but largely complete. We will provide a summary of the main issues from our work separately to the Council later in the year.</p>
Audit fee	<p>Our audit fee for 2014/15 was £67,300, excluding VAT which was in line with our planned fee for the year and the same as the previous year. We will notify you separately of the certification fee for 2014/15 on completion of our work.</p> <p>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

	Planned fees 2014/15 £	Actual fees 2014/15 £	Actual fees 2013/14 £
Council audit	67,300	67,300	67,300
Housing benefit grant certification fee	13,910	Tbc	15,224
Total audit fees	81,210	tbc	82,524

Fees for other services

Service	Fees £
Audit related services	
None	N/A
Non-audit related services	
None	N/A

Reports issued

Report	Date issued
Audit Plan	30 March 2015
Audit Findings Report	23 September 2015
Certification Report	Expected December 2015
Annual Audit Letter	October 2015



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