



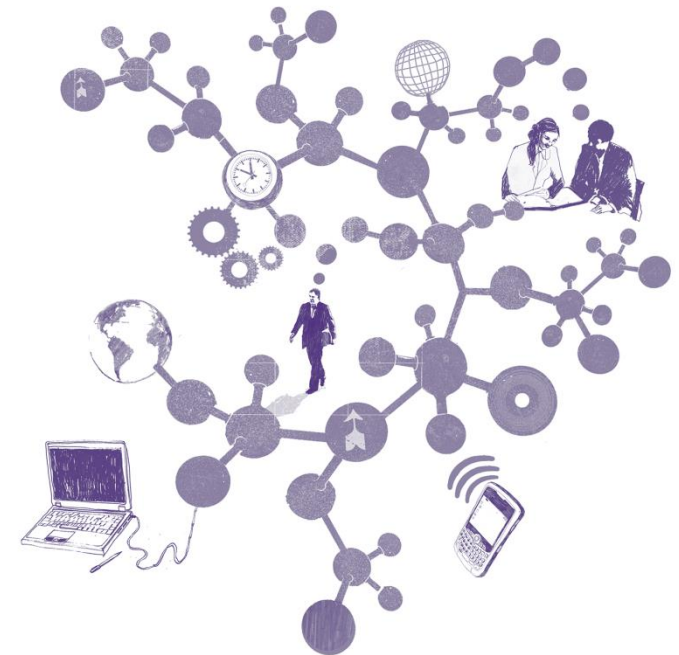
The Annual Audit Letter for London Borough of Sutton

Year ended 31 March 2014

20 October 2014

Andy Mack
Engagement Lead
T 020 7728 3299
E andy.l.mack@uk.gt.com

Deborah Moorhouse
Manager
T 020 7728 3326
E deborah.moorhouse@uk.gt.com



Contents

Section	Page
1. Key messages	3
Appendices	
A Summary of reports and audit fees	

Key messages

Our Annual Audit Letter summarises the key findings arising from the work that we have carried out at London Borough of Sutton Council ('the Council') for the year ended 31 March 2014.

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 dated 20 March 2014 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.

Financial statements audit (including audit opinion)	<p>We reported our findings arising from the audit of the financial statements in our Audit Findings Report on 22 September 2014 to the Audit Committee. The key messages to report from our audit are as follows:</p> <p>We issued an unqualified opinion on the Council's 2013/14 financial statements on 25 September 2014, 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> <p>We identified one trivial adjustment affecting the Council's reported financial position. The draft financial statements recorded net expenditure of £181,005k; the audited financial statements showed net expenditure of £181,178k. We also identified a number of adjustments to improve the presentation of the financial statements.</p>
Value for Money (VfM) conclusion	<p>We issued an unqualified VfM conclusion for 2013/14 on 25 September 2014.</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 2014.</p> <p>The Council continues to demonstrate good budgetary control and effective medium term financial planning within a very demanding external environment.</p>

Key messages

Whole of Government Accounts	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.
Certification of grant claims and returns	We have certified the Pooling of Housing Capital receipts return without amendment or qualification. We plan to certify the following returns in line with the relevant deadline: <ul style="list-style-type: none">• Teachers Pensions by 28 November 2014• Housing Benefit Subsidy by 30 November 2014• Decent Homes Expenditure by 30 November 2014• S256/257 NHS England payments by 31 December 2014
Audit fee	Our fee for 2013/14 was £125,720, excluding VAT which was £2,600 higher than our planned fee. This was due to an additional fee of £2,600 in respect of work on material business rates balances following the removal of the certification requirement for the NNDR3 return previously relied on during the audit. This is in common with other London borough councils

Appendix A: Reports issued and fees

We confirm below the fee charged for the audit and **provision of non-audit services**.

Fees

	Per Audit plan £	Actual fees £
Council audit	123,120	125,720*
Grant certification	14,000	tbc**
Total audit fees	137,120	tbc**

*' There is additional fee of £2,600 in respect of work on material business rates balances. This additional work was necessary as auditors are no longer required to carry out work to certify NNDR3 claims. The additional fee is 50% of the average fee previously charged for NNDR3 certifications for a London Borough Council and is subject to approval by the Audit Commission.

** The fees for certification of the Teachers Pension return; Decent Homes Expenditure and s256/257 NHS payments are to be agreed with the Council

Fees for other services

Service	Fees £
Housing reviews	24,000

Reports issued

Report	Date issued
Audit Plan	20 March 2014
Audit Findings Report	22 September 2014
Certification report	Work still in progress
Annual Audit Letter	9 October 2014



© 2014 Grant Thornton UK LLP. All rights reserved.

'Grant Thornton' means Grant Thornton UK LLP, a limited liability partnership.

Grant Thornton is a member firm of Grant Thornton International Ltd (Grant Thornton International). References to 'Grant Thornton' are to the brand under which the Grant Thornton member firms operate and refer to one or more member firms, as the context requires. Grant Thornton International and the member firms are not a worldwide partnership. Services are delivered independently by member firms, which are not responsible for the services or activities of one another. Grant Thornton International does not provide services to clients.

grant-thornton.co.uk