



The Annual Audit Letter for Blackburn with Darwen Council

Year ended 31 March 2014

October 2014

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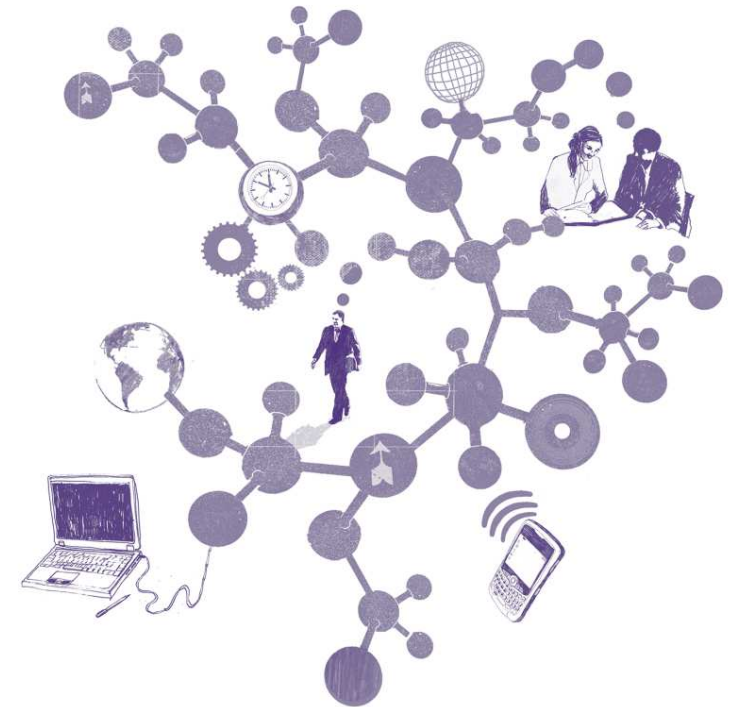
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Key messages

Our Annual Audit Letter summarises the key findings arising from the work that we have carried out at Blackburn with Darwen 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 in April 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 23 September 2014 to the Audit Committee. The key messages reported were:</p> <ul style="list-style-type: none">• No significant issues were identified from our audit of the 2013/14 draft financial statements;• The accounts were well prepared and presented;• The Council provided good quality working papers at the start of the audit and further working papers were produced as required during the audit; and• Finance staff were available throughout the audit to answer our questions promptly and provided additional information in a timely manner. <p>We issued an unqualified opinion on the Council's 2013/14 financial statements on 24 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>
Value for Money (VfM) conclusion	<p>We issued an unqualified VfM conclusion for 2013/14 on 24 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. We issued a separate report on Value for Money that was presented to the Audit Committee on 23 September 2014.</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	Our work on certification of two grant claims within the scope of the Audit Commission's regime is on going. Our work to date has not identified issues that we need to highlight. The detailed findings of our work will be reported to the Audit Committee on completion of our work.
Audit fee	Our fee for 2013/14 was £137,119 excluding VAT, with further detail included within Appendix B.

Appendix A: Key issues and recommendations

This appendix summarised the significant recommendations identified during the 2013/14 audit and the response from Management.

Area for consideration	Recommendation	Responsibility	Timescale	Management response
Key Indicators of Performance	Ensure further appropriate action is taken to achieve the Council target of 8 working days lost to sickness absence per Full Time Equivalent (FTE).	Head of HR and Legal Services	March 2015	Agreed
Strategic Financial Planning	Regularly update the MTFS to reflect the budget saving proposals agreed by Members for 2015/16 – 2017/18.	Executive Director (Resources and Transformation)	March 2015	Agreed
Financial Governance	The Council should ensure it continues to provide support to Members and Officers with responsibility for managing budgets given the significant financial challenges the Council faces.	Executive Director (Resources and Transformation)	March 2015	Agreed
Financial Control	Include a greater level of contingency in Internal Audit plans for future years given there has been a need to reduce planned coverage in each of the last two years.	Head of Audit, Assurance and Procurement	April 2015	Agreed
Better Care Fund	Ensure that the further actions set out in the Better Care Fund Plan are implemented to ensure delivery of the Plan.	Executive Director (People)	March 2015	Agreed
Managing Natural Resources	Update the Council Energy policy and action plan to reflect current issues and developments.	Director of Regeneration	March 2015	Agreed

Appendix B: 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 £
Audit Fee	136,049	Note 1 137,119
Grant certification fee	25,000	Note 2 20,551
Total fees	161,049	157,670

Note 1 - There is an additional fee of £1,070 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 NDR3 claims. The additional fee is 50% of the average fee previously charged for NDR3 certifications for borough councils and is subject to agreement by the Audit Commission.

Note 2 - At the time of setting the grant certification fee it was anticipated that we would be required to certify the following claims:

- Housing and Council Tax Benefit: The revised fee for grant certification covers a revised fee for this claim now that it no longer covers council tax benefit.
- Teachers' Pension Claim: This will no longer come under the Audit Commission regime and will be subject to a separate review with the fee being classed as 'Fees for other services'.

Fees for other services

Service	Fees £
Regional Growth Fund (RGF) - Accelerated Business Growth & FUSE	7,500

We completed the audit of the above RGF schemes and issued an accountant's report for each scheme.

Reports issued

Report	Date issued
Audit Plan	April 2014
Audit Findings Report	September 2014
Certification report	Not yet issued - January 2015
VfM Report	September 2014
Annual Audit Letter	October 2014



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