



Annual Audit Letter 2016/17

Ryedale District Council

kpmg.com/uk

October 2017

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External auditors do not act as a substitute for the audited body’s own responsibility for putting in place proper arrangements to ensure that public business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively.

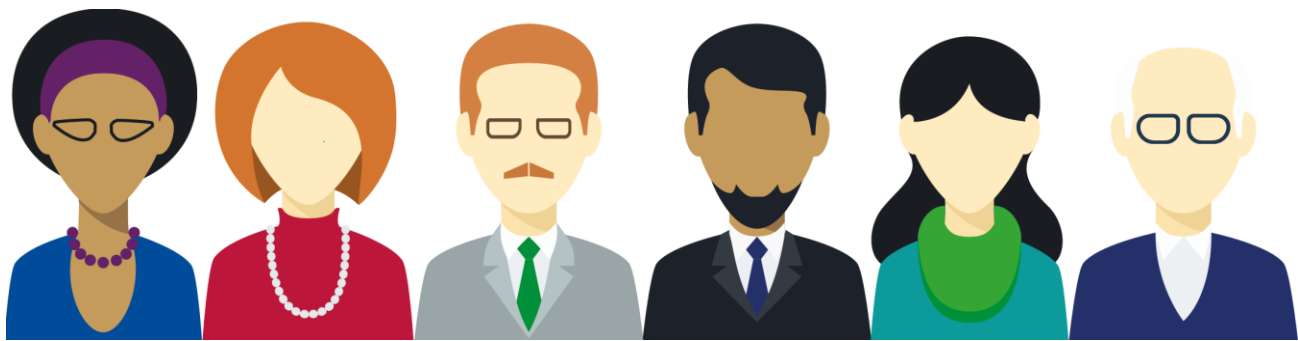
We are committed to providing you with a high quality service. If you have any concerns or are dissatisfied with any part of KPMG’s work, in the first instance you should contact Rashpal Khangura, the engagement lead to the Authority, who will try to resolve your complaint. If you are dissatisfied with your response please contact the national lead partner for all of KPMG’s work under our contract with Public Sector Audit Appointments Limited, Andrew Sayers (andrew.sayers@kpmg.co.uk). After this, if you are still dissatisfied with how your complaint has been handled you can access PSAA’s complaints procedure by emailing generalenquiries@psaa.co.uk, by telephoning 020 7072 7445 or by writing to Public Sector Audit Appointments Limited, 3rd Floor, Local Government House, Smith Square, London, SW1P 3HZ.

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Section one

Summary

This Annual Audit Letter summarises the outcome from our audit work at Ryedale District Council in relation to the 2016/17 audit year. Although it is addressed to Members of the Authority, it is also intended to communicate these key messages to key external stakeholders, including members of the public, and will be placed on the Authority's website.



VFM conclusion

We issued an unqualified conclusion on the Authority's arrangements to secure value for money (VFM conclusion) for 2016/17 on 25 September 2017. This means we are satisfied that during the year the Authority had appropriate arrangements for securing economy, efficiency and effectiveness in the use of its resources.

To arrive at our conclusion we looked at the Authority's arrangements to make informed decision making, sustainable resource deployment and working with partners and third parties.

VFM risk areas

We undertook a risk assessment as part of our VFM audit work to identify the key areas impacting on our VFM conclusion and considered the arrangements you have put in place to mitigate these risks.

Our work identified no significant matters so we concluded that the Authority has made proper arrangements to secure economy, efficiency and effectiveness in its use of resources. Although we note the following comments on financial resilience and the recently completed Peer review.

Financial resilience

Like most of local government, the Authority faces a challenging future driven by funding reductions and an increase in demand for services.

The current position is that in 2016/17 the savings identified in the T2020 transformation plans had been delivered and a surplus produced. The medium term plans are showing a need to deliver further savings and these are part of the T2020 second phase of reviews.

Peer Review

The Council commissioned a Peer review of the Council from the LGA. The Peer review identified areas of improvement for the Council, although by itself these do not identify any arrangements that are failing or would result in us considering as a significant risk.

In response, an agreed action plan was drawn up and presented to Members in March 2017, however this action plan was referred to Full Council in April 2017.

At Full Council. Members decided that they needed a members working party to address the issues raised and confirm / amend the suggested action plan.

The working group has been set up and is planning to meet in November 2017.

Audit opinion

We issued an unqualified opinion on the Authority's financial statements on 25 September 2017. This means that we believe the financial statements give a true and fair view of the financial position of the Authority and of its expenditure and income for the year.

Section one

Financial statements audit

There were no significant findings arising from the financial statements audit. We identified no changes to the main financial statements although a number of presentational changes to the supporting notes were made by management.

We will be discussing with management action that can be taken to facilitate the earlier preparation and audit of accounts required in 2017/18.

Other information accompanying the financial statements

Whilst not explicitly covered by our audit opinion, we review other information that accompanies the financial statements to consider its material consistency with the audited accounts. This year we reviewed the Annual Governance Statement and Narrative Report. We concluded that they were consistent with our understanding and did not identify any issues.

Whole of Government Accounts

The Authority prepares a consolidation pack to support the production of Whole of Government Accounts by HM Treasury. We are not required to review your pack in detail as the Authority falls below the threshold where an audit is required. As required by the guidance we have confirmed this with the National Audit Office.

High priority recommendations

We raised no high priority recommendations as a result of our 2016/17 audit work. We raised one medium priority, and one low priority recommendations which are included in our report to those charged with governance which was presented to the Audit Committee in September 2017.

We will formally follow up these recommendations as part of our 2017/18 work.

Certificate

We issued our certificate on 25 September 2017. The certificate confirms that we have concluded the audit for 2016/17 in accordance with the requirements of the Local Audit & Accountability Act 2014 and the Code of Audit Practice.

Audit fee

Our final fee for the 2016/17 audit was £41,826, which is in line with the planned fee. Further detail is contained in Appendix 2.

Appendix 2

Summary of reports issued

This appendix summarises the reports we issued since our last Annual Audit Letter.

These reports can be accessed via the Audit Committee agendas on the Council’s website at www.ryedale.gov.uk.



Appendix 2

Audit fees

This appendix provides information on our final fees for the 2016/17 audit.

To ensure transparency about the extent of our fee relationship with the Authority we have summarised below the outturn against the 2016/17 planned audit fee.

External audit

Our final fee for the 2016/17 audit was £41,826 which is in line with the planned fee.

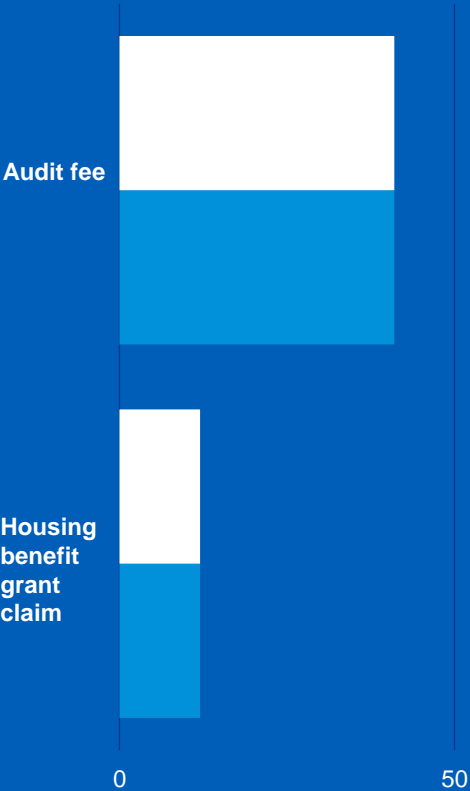
Certification of grants and returns

Under our terms of engagement with Public Sector Audit Appointments we undertake prescribed work in order to certify the Authority’s housing benefit grant claim. This certification work is still ongoing. The planned audit fee is £12,150. The final fee will be confirmed through our reporting on the outcome of that work in December 2017.

Other services

We have carried out no additional services.

External audit fees 2016/17 (£'000)



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