



Annual Audit Letter 2017/18

Runnymede Borough Council

September 2018

Contents

The contacts at KPMG in connection with this report are:

Joanne Lees
Director

Tel: 020 7311 1367
joanne.lees@kpmg.co.uk

Muhammad Uzair Khan
Manager

Tel: 07958 4522 836
Muhammad.uzairkhan@kpmg.co.uk

Page

Report sections

Headlines 3

Appendices

1. Summary of reports issued 6

2. Audit fees 7

This report is addressed to the Authority and has been prepared for the sole use of the Authority. We take no responsibility to any member of staff acting in their individual capacities, or to third parties. Public Sector Audit Appointments issued a document entitled Statement of Responsibilities of Auditors and Audited Bodies summarising where the responsibilities of auditors begin and end and what is expected from audited bodies. We draw your attention to this document which is available on Public Sector Audit Appointment's website (www.psaa.co.uk).

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 Joanne Lees, 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.

This Annual Audit Letter summarises the outcome from our audit work at Runnymede Borough Council in relation to the 2017/18 audit year, which is the final year that KPMG is the auditor of the Authority.

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.

Audit opinion	We issued an unqualified opinion on the Authority's financial statements on 13 September 2018. 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.
Financial statements audit	<p>Our audit procedures are designed to identify misstatements which are material to our opinion on the financial statements as a whole. Materiality for the Authority's accounts was set at £1.2 million which equates to around 2% of gross expenditure. We design our procedures to detect errors in specific accounts at a lower level of precision.</p> <p>We report to the Strategy & Resources Committee any misstatements of lesser amounts, other than those that are "clearly trivial", to the extent that these are identified by our audit work. In the context of the Authority, an individual difference is considered to be clearly trivial if it is less than £60,000.</p> <p>We identified no adjusted or unadjusted audit differences. All amendments identified were only presentational in nature.</p> <p>Our audit work was designed to specifically address the following significant risks:</p> <ul style="list-style-type: none"> — Fraud risk from Management Override of Controls – Our review did not identify any issues in relation to this significant risk; — Valuation of dwellings and other land and buildings – Our work identified presentational reclassification adjustments required to the PPE note in the draft financial statements which did not affect the bottom line of the primary financial statements; and — Pensions Liabilities – Our review identified only presentational adjustments in relation to this significant risk.
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.

Section one

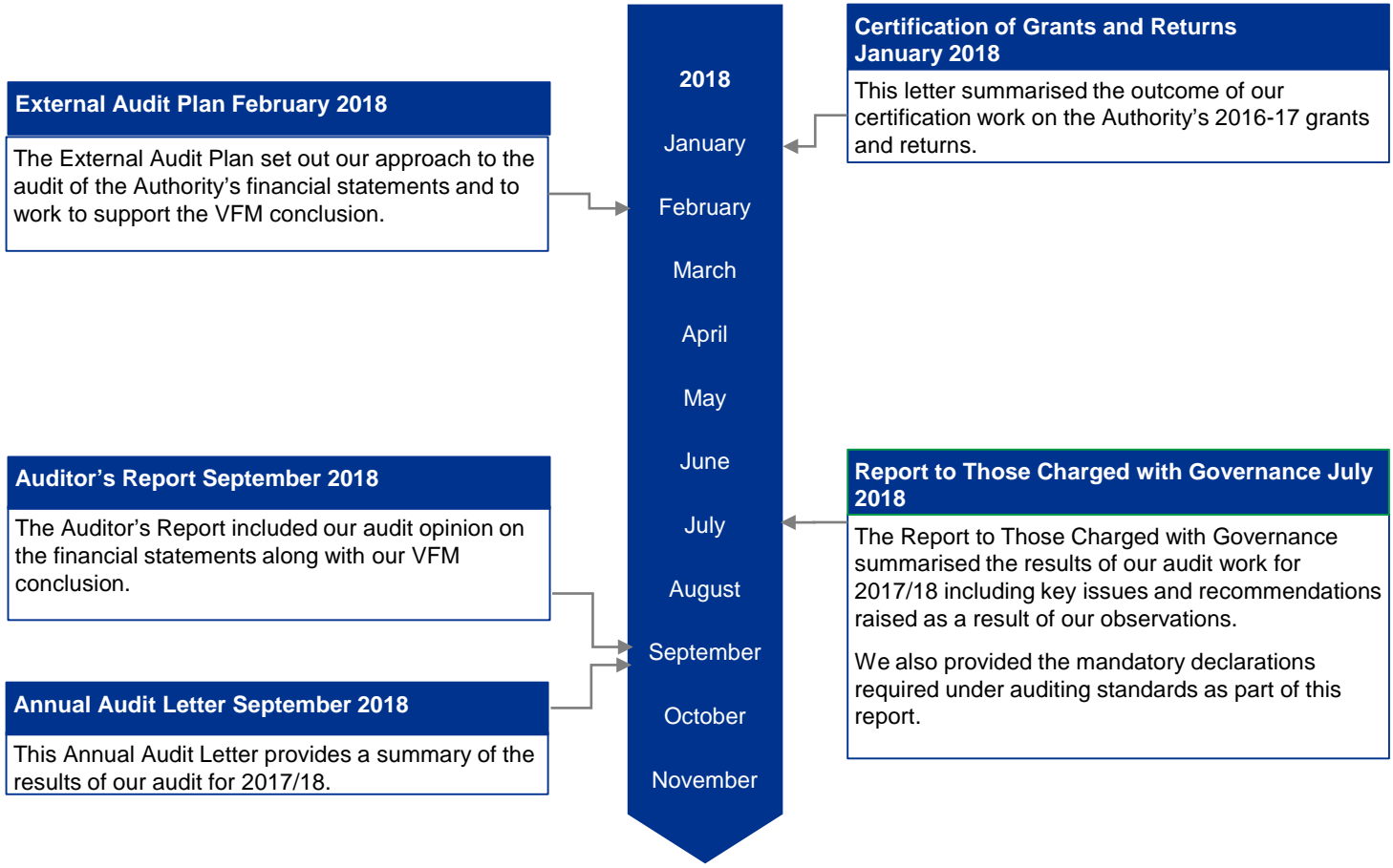
Headlines

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.
Value for Money conclusion	<p>We issued an unqualified conclusion on the Authority's arrangements to secure value for money (VFM conclusion) on 13 September 2018. 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.</p> <p>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.</p>
Value for Money risk areas	We undertook a risk assessment as part of our VFM audit work to identify the key areas impacting on our VFM conclusion. We did not identify any significant risks.
High priority recommendations	We raised no high priority recommendations as a result of our 2017-18 work.
Certificate	The audit has been formally concluded and an audit certificate issued on 13 September 2018.
Audit fee	<p>Our fee for 2017-18 was £45,135, excluding VAT (2016/17: £45,135).</p> <p>Our work on the certification of Housing Benefits (BEN01) is planned for September 2018. The planned scale fee for this is £8,970 excluding VAT (£9,503 in 2016/17).</p> <p>In previous years we have regularly completed audit work for Pooling of Housing Capital Receipts return. We have been asked to complete this work for 2017/18. We will arrange a suitable time for this work with Management. In 2016/17 our fee for this grant audit was £2,250.</p> <p>Further detail is contained in Appendix 2.</p>
Exercising of audit powers	<p>We have a duty to consider whether to issue a report in the public interest about something we believe the Authority should consider, or if the public should know about.</p> <p>We have not identified any matters that would require us to issue a public interest report.</p>

Appendix 1: 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 and Corporate Governance Committee pages on the Authority's website at www.runnymede.gov.uk.



Appendix 2: Audit fees

This appendix provides information on our final fees for the 2017/18 audit.

To ensure transparency about the extent of our fee relationship with the Authority we have summarised below the outturn against the 2017/18 planned audit fee.

External audit

Our final fee for the 2017/18 audit of the Authority was £45,135, 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.

We will also undertake the certification of the Pooling of Housing Capital Receipts return. Our estimated fee for this work is £2,500.

The final fees will be confirmed through our reporting on the outcome of this work in January 2019.

Other services

We did not charge any additional fees for other services.



kpmg.com/socialmedia



kpmg.com/app

© 2018 KPMG LLP, a UK limited liability partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity. All rights reserved.

KPMG LLP is multi-disciplinary practice authorised and regulated by the Solicitors Regulation Authority. For full details of our professional regulation please refer to 'Regulatory Information' at www.kpmg.com/uk

The KPMG name and logo are registered trademarks or trademarks of KPMG International.