



Annual Audit Letter 2015/16

Barnsley Metropolitan Borough Council

—

October 2016



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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 Clare Partridge, 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 Barnsley Metropolitan Borough Council in relation to their 2016/16 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	<p>We issued an unqualified conclusion on the Authority's arrangements to secure value for money (VFM conclusion) for 2015/16 on 30 September 2016. This means we are satisfied that during the year the Authority had proper arrangements for informed decision making, sustainable resource deployment and working with partners and third parties.</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>
VFM risk areas	<p>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.</p> <p>Our work did not identify any significant matters relating the VFM conclusion.</p>
Audit opinion	<p>We issued an unqualified opinion on the Authority's financial statements on 30 September 2016. 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.</p>
Financial statements audit	<p>Our financial statements audit identified one significant audit adjustment with a total value of £13.3 million. This impacted on the Authority's net worth in year but did not impact on the Authority's medium term financial plan. This is because the adjustment was simply a reallocation of costs relating to the repayments for the Authority's PFI contracts over a longer period. There was no impact on the Authority's overall Council Tax requirements.</p> <p>Draft accounts were provided to us on time and were supported by good working papers. In addition, finance team officers were available during the audit and were responsive to audit queries.</p>
Annual Governance Statement	<p>We reviewed your Annual Governance Statement and concluded that it was consistent with our understanding.</p>
Whole of Government Accounts	<p>We reviewed the consolidation pack which the Authority prepared to support the production of Whole of Government Accounts by HM Treasury. We reported that the Authority's pack was consistent with the audited financial statements.</p>

Section one

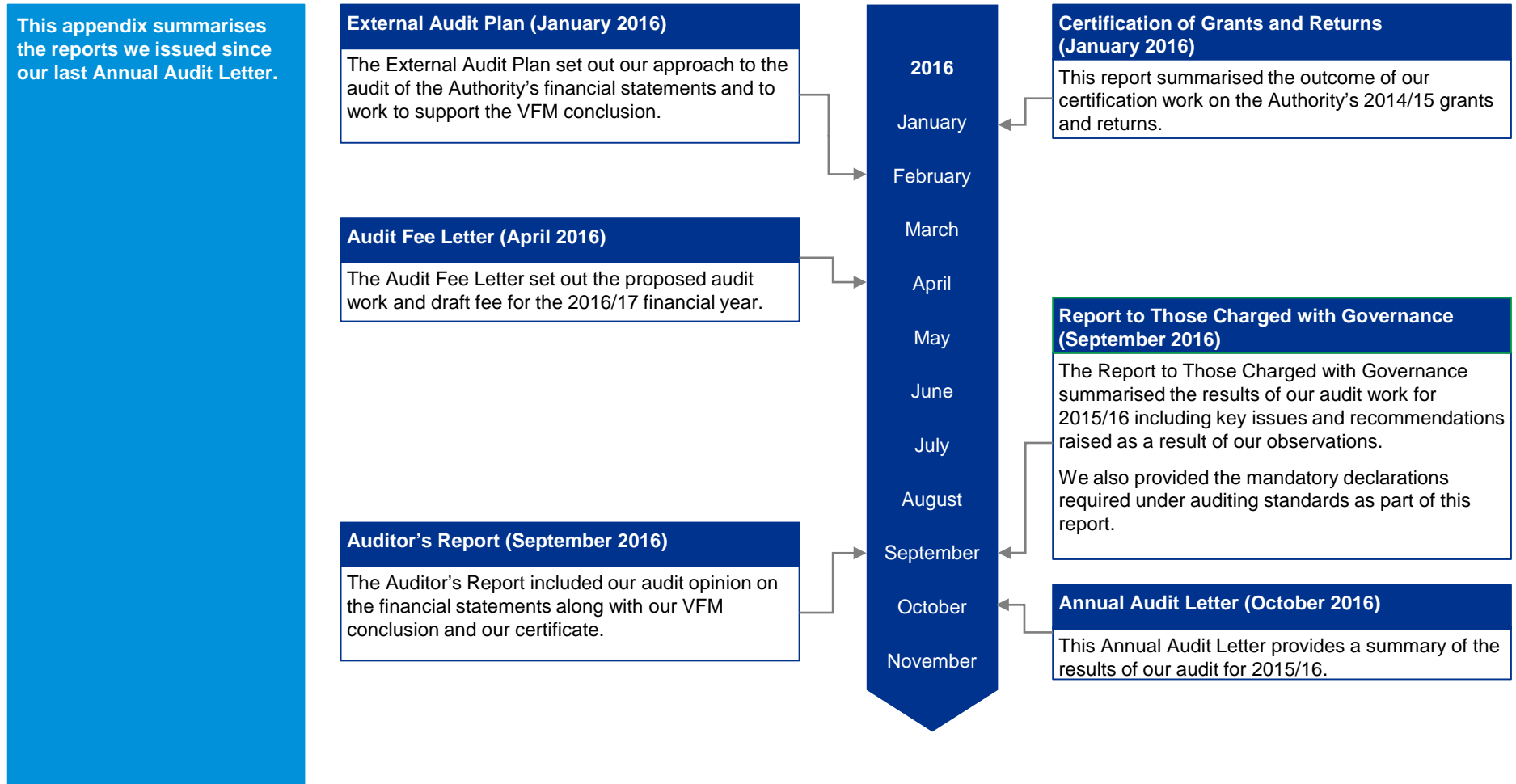
Headlines (cont)

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Recommendations	<p>We raised two medium priority recommendations as a result of our 2015/16 audit work. These related to the need to update procedure notes in relation to the authorisation of journals, and the need to include the latest valuation of the Waste PFI asset in the 2016/17 statement of accounts and to ensure all new assets are valued when they come into use.</p> <p>Management have agreed to our recommendations and we will follow them up as part of our 2016/17 work.</p>
Certificate	<p>We issued our certificate on 30 September 2016. The certificate confirms that we have concluded the audit for 2015/16 in accordance with the requirements of the Local Audit & Accountability Act 2014 and the Code of Audit Practice.</p>
Audit fee	<p>Our fee for the external audit in 2015/16 was £135,988 (excluding VAT) which is in line with the scale fee included within our agreed Audit Plan. It is £45,333 more than the fee charged in 2014/15 and reflects a 25 per cent reduction in scale fees set by Public Sector Audit Appointments Ltd.</p> <p>We also carried out some additional work for you in 2015/16, totalling £7,750 (excluding VAT). This relates to the certification of the Teachers Pensions Agency Return (£3,500) and the Pooling Capital Receipts Return (£4,250).</p> <p>Further detail is contained in Appendix 2.</p>

Appendix 1: Summary of reports issued



Appendix 2: Audit fees

This appendix provides information on our final fees for the 2015/16 audit.

To ensure transparency about the extent of our fee relationship with the Authority we have summarised below the outturn against the 2015/16 planned audit fee.

External audit

Our final fee for the 2015/16 audit of the Authority was £135,998, which is in line with the planned fee.

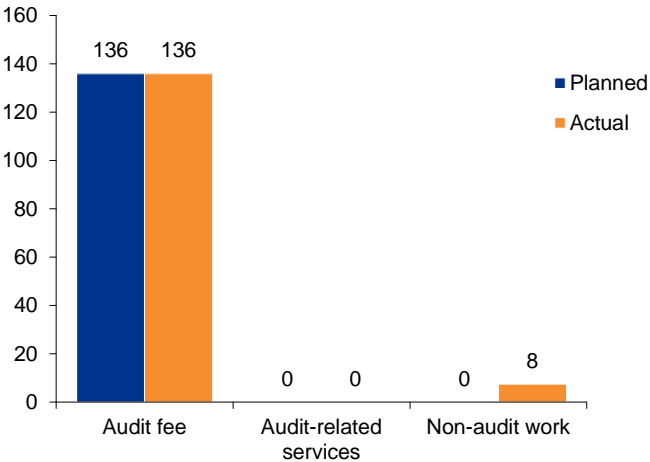
Certification of grants and returns

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 final fee will be confirmed through our reporting on the outcome of that work in January 2017.

Other services

We charged £7,750 for additional audit-related services for the certification of the Teachers Pensions Agency Return (£3,500) and the Pooling Capital Receipts Return (£4,250). These are grants and returns that are outside of Public Sector Audit Appointment's certification regime.

External audit fees 2015/16 (£'000)





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The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavour to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.

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