

# Audit Adjustments

We are required to report all non trivial misstatements to those charged with governance, whether or not the accounts have been adjusted by management.

## Impact of adjusted misstatements

All adjusted misstatements are set out in detail below along with the impact on the key statements and the reported net expenditure for the year ending 31 March 2019.

| Detail   | Comprehensive Income and Expenditure Statement £'000 | Statement of Financial Position £' 000 | Impact on total net expenditure £'000 |
|--|--|--|---------------------------------------|
| 1 Other land and buildings<br>Revaluation reserve                                |  | 896 Dr<br>896 Cr                       |                                       |
| 2 Surplus on revaluation of assets<br>Other comprehensive income and expenditure | 896 Cr<br>896 Dr                                     |  |                                       |
| <b>Overall impact</b>  | <b>£0</b>  | <b>£0</b>                              | <b>£0</b>                             |

## Misclassification and disclosure changes

The table below provides details of misclassification and disclosure changes identified during the audit which have been made in the final set of financial statements.

| Disclosure omission        | Detail  | Auditor recommendations | Adjusted? |
|----------------------------|---|-------------------------|-----------|
| Disclosure – audit fee     | Correction of the value of grants audit fees.   | N/A                     | ✓         |
| Disclosure – creditors     | Amendment of £190k from creditors classed as Other Local Authority to Bodies External to General Government | N/A                     | ✓         |
| Disclosure – various notes | Minor changes suggested in relation to a small number of notes to enhance the understanding for the reader. | N/A                     | ✓         |

## Impact of unadjusted misstatements

There are no unadjusted audit misstatements.

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12 April 2019

Dear Helen

## Planned audit fee for 2019/20

The Local Audit and Accountability Act 2014 (the Act) provides the framework for local public audit. Public Sector Audit Appointments Ltd (PSAA) has been specified as an appointing person under the Act and the Local Authority (Appointing Person) Regulations 2015 and had the power to make auditor appointments for audits of opted- in local government bodies from 2018/19.

For opted- in bodies PSAA's responsibilities also include setting fees and monitoring the quality of auditors' work. Further information on PSAA and its responsibilities are available on the [PSAA website](#).

All grant work, including housing benefit certification, falls outside the PSAA contract, as PSAA no longer has the power to make appointments for assurance on grant claims and returns. Any assurance engagements will therefore be subject to separate engagements agreed between the grant-paying body, the Council and ourselves and separate fees agreed with the Council.

### Scale fee

PSAA published the 2019/20 scale fees for opted-in bodies at the end of March 2019, following a consultation process. Individual scale fees have been maintained [at the same level as in 2018/19, unless there were specific circumstances which required otherwise](#). Further details are set out on the [PSAA website](#). The Council's scale fee for 2019/20 has been set by PSAA at £43,005 which is the same as in 2018/19.

PSAA prescribes that 'scale fees are based on the expectation that audited bodies are able to provide the auditor with complete and materially accurate financial statements, with supporting working papers, within agreed timeframes'.

The audit planning process for 2019/20, including the risk assessment, will continue as the year progresses and fees will be reviewed and updated as necessary as our work progresses.

### Scope of the audit fee

There are no changes to the overall work programme for audits of local government audited bodies for 2019/20. Under the provisions of the Local Audit and Accountability Act 2014, the National Audit Office (NAO) is responsible for publishing the statutory Code of Audit Practice and guidance for auditors. Audits of the accounts for 2019/20 will be undertaken under this Code. Further information on the NAO Code and guidance is available on the [NAO website](#).

The scale fee covers:

- our audit of your financial statements;
- our work to reach a conclusion on the economy, efficiency and effectiveness in your use of resources (the value for money conclusion); and
- our work on your whole of government accounts return (if applicable).

PSAA will agree fees for considering objections from the point at which auditors accept an objection as valid, or any special investigations, as a variation to the scale fee.

### Value for Money conclusion

The Code requires us to consider whether the Council has put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources. This is known as the Value for Money (VfM) conclusion.

The NAO issued its latest guidance for auditors on value for money work in November 2017. The guidance states that for local government bodies, auditors are required to give a conclusion on whether the Council has put proper arrangements in place.

The NAO guidance identifies one single criterion for auditors to evaluate:

*In all significant respects, the audited body had proper arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people.*

### Billing schedule

Fees will be billed as follows:

| <b>Main Audit fee</b> | <b>£</b>      |
|-----------------------|---------------|
| September 2019        | 10,752        |
| December 2019         | 10,751        |
| March 2020            | 10,751        |
| June 2020             | 10,751        |
| <b>Total</b>          | <b>43,005</b> |

### Outline audit timetable

We will undertake our audit planning and interim audit procedures in December 2019 to April 2020. Upon completion of this phase of our work we will issue a detailed audit plan setting out our findings and details of our audit approach. Our final accounts audit and work on the VfM conclusion will be completed in June and July 2020 and work on the whole of government accounts return in July 2020.

| <b>Phase of work</b>             | <b>Timing</b>               | <b>Outputs</b>   | <b>Comments</b>   |
|----------------------------------|-----------------------------|--|---|
| Audit planning and interim audit | December 2019 to April 2020 | Audit plan   | The plan summarises the findings of our audit planning and our approach to the audit of the Council's accounts and VfM. |
| Final accounts audit             | June and July 2020          | Audit Findings (Report to those charged with governance) | This report sets out the findings of our accounts audit and VfM work for the consideration of                           |

those charged with governance.

|                              |                            |  |  |
|------------------------------|----------------------------|--|--|
| VfM conclusion               | December 2019 to July 2020 | Audit Findings (Report to those charged with governance) | As above   |
| Whole of government accounts | July 2020                  | Opinion on the WGA return                                | This work will be completed alongside the accounts audit.          |
| Annual audit letter          | August 2020                | Annual audit letter to the Council                       | The letter will summarise the findings of all aspects of our work. |

### Our team

The key members of the audit team for 2019/20 are:

|                 | Name            | Phone Number  | E-mail   |
|-----------------|-----------------|---------------|--|
| Engagement Lead | Gareth Kelly    | 0141 223 0891 | <a href="mailto:gareth.kelly@uk.gt.com">gareth.kelly@uk.gt.com</a>           |
| Senior Manager  | Jillian Burrows | 0161 214 6302 | <a href="mailto:jillian.a.burrows@uk.gt.com">jillian.a.burrows@uk.gt.com</a> |

### Additional work

The scale fee excludes any work requested by the Council that we may agree to undertake outside of our Code audit. Each additional piece of work will be separately agreed, and a detailed project specification and fee agreed with the Council.

### Quality assurance

We are committed to providing you with a high quality service. If you are in any way dissatisfied or would like to discuss how we can improve our service, please contact me in the first instance. Alternatively, you may wish to contact Sarah Howard, our Public Sector Assurance regional lead partner, via [sarah.howard@uk.gt.com](mailto:sarah.howard@uk.gt.com).

Yours sincerely

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