Annual Audit Letter
2013/14

City of Wakefield Metropolitan District Council

October 2014
This letter is addressed to the Members of 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. The Audit Commission has issued a document entitled Statement of Responsibilities of Auditors and Audited Bodies. This summarises where the responsibilities of auditors begin and end and what is expected from the audited body. We draw your attention to this document which is available on the Audit Commission’s website at www.auditcommission.gov.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.

If you have any concerns or are dissatisfied with any part of KPMG’s work, in the first instance you should contact Trevor Rees, the appointed engagement lead to the Authority, who will try to resolve your complaint. Trevor is also the national contact partner for all of KPMG’s work with the Audit Commission. After this, if you are still dissatisfied with how your complaint has been handled you can access the Audit Commission’s complaints procedure. Put your complaint in writing to the Complaints Unit Manager, Audit Commission, 3rd Floor, Fry Building, 2 Marsham Street, London, SW1P 4DF or by email to complaints@audit-commission.gsi.gov.uk. Their telephone number is 0303 4448 330.

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This letter summarises the key findings from our 2013/14 audit of City of Wakefield MDC (the Authority).

Although this letter is addressed to the Members of the Authority, it is also intended to communicate these issues to key external stakeholders, including members of the public.

Our audit covers the audit of the Authority’s 2013/14 financial statements and the 2013/14 VFM conclusion.

All the issues in this letter have been previously reported. The detailed findings are contained in the reports we have listed in Appendix 1.

| VFM conclusion | We issued an unqualified conclusion on the Authority’s arrangements to secure value for money (VFM conclusion) for 2013/14 on 25 September 2014. This means we are satisfied that you have proper arrangements for securing financial resilience and challenging how you secure economy, efficiency and effectiveness.
To arrive at our conclusion we looked at your financial governance, financial planning and financial control processes, as well as how you are prioritising resources and improving efficiency and productivity. In planning our work we did not identify any significant risks to our VFM conclusion and did not carry out any specific risk based work. |
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<tr>
<td>Audit opinion</td>
<td>We issued an unqualified opinion on your financial statements on 25 September 2014. 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.</td>
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<tr>
<td>Annual Governance Statement</td>
<td>We reviewed your Annual Governance Statement and concluded that it was consistent with our understanding and relevant guidance.</td>
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<td>Whole of Government Accounts</td>
<td>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.</td>
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<td>Certificate</td>
<td>We issued our certificate on 25 September 2014. The certificate confirms that we have concluded the audit for 2013/14 in accordance with the requirements of the Audit Commission Act 1998 and the Audit Commission’s Code of Audit Practice.</td>
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<tr>
<td>Audit fee</td>
<td>Our external audit fee for 2013/14 was £196,064 (excluding VAT). This fee is £1,470 higher than the planned fee for the year (£194,594). This additional fee relates to work on the Authority's non-domestic rates (NNDR) transactions. Further detail is contained in Appendix 2.</td>
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Appendices

Appendix 1: Summary of reports issued

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

- **External Audit Plan (February 2014)**
  The *External Audit Plan* set out our approach to the audit of the Authority’s financial statements and to work to support the VFM conclusion.

- **Audit Fee Letter (April 2014)**
  The *Audit Fee Letter* set out the proposed audit work and draft fee for the 2014/15 financial year.

- **Interim Audit Letter (July 2014)**
  The *Interim Audit Letter* summarised the results from the preliminary stages of our audit, including testing of financial and other controls.

- **Auditor’s Report (September 2014)**
  The *Auditor’s Report* included our audit opinion on the financial statements, our VFM conclusion and our certificate.

- **Certification of Grants and Returns (February 2014)**
  This report summarised the outcome of our certification work on the Authority’s 2012/13 grants and returns.

- **Report to Those Charged with Governance (September 2014)**
  The *Report to Those Charged with Governance* summarised the results of our audit work for 2013/14 including key issues and recommendations raised as a result of our observations. We also provided the mandatory declarations required under auditing standards as part of this report.

- **Annual Audit Letter (October 2014)**
  This *Annual Audit Letter* provides a summary of the results of our audit for 2013/14.
This appendix provides information on our final fees for 2013/14.

Appendices

Appendix 2: Audit fees

To ensure openness between KPMG and your Audit Committee about the extent of our fee relationship with you, we have summarised the outturn against the 2013/14 planned audit fee.

External audit

Our final fee for the Authority’s 2013/14 external audit, incorporating the financial statements and VFM conclusion was £196,064. This compares to a planned fee of £194,594. The reason for this variance is:

- an additional fee of £1,470 reflecting additional work carried out on the Authority's NNDR transactions. This work was previously delivered and billed as part of our certification of the NNDR3 return under the Audit Commission’s grant claim and returns certification regime. The certification of NNDR3 has not been required by the Audit Commission this year and thus our work in this area had to be carried out as part of our financial statements audit work. This fee remains subject to approval and final determination by the Audit Commission.

Certification of grants and returns

Our grants work is still ongoing and the fee will be confirmed through our report on the Certification of Grants and Returns 2013/14 which we are due to issue in January 2015. Since issuing our audit plan in February 2014 the Audit Commission has confirmed that the planned fee has been reduced to £22,327 reflecting the cessation of Council Tax Benefits and its removal from our work on the Housing Benefits claim in 2013/14.

Other services

We charged £3,500 for work to provide assurance on the Authority’s 2012/13 Teacher Training return as required by the National College for Teaching and Leadership. This work was not related to our responsibilities under the Audit Commission’s Code of Audit Practice.

<table>
<thead>
<tr>
<th>External audit fees 2013/14</th>
<th>Planned (£)</th>
<th>Actual (£)</th>
<th>Difference (£)</th>
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<tbody>
<tr>
<td>External audit</td>
<td>194,594</td>
<td>196,064 (a)</td>
<td>+1,470 (a)</td>
</tr>
<tr>
<td>Certification of grants &amp; returns</td>
<td>26,400</td>
<td>22,327 (b)</td>
<td>-4,073 (b)</td>
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<td>Audit Commission work sub total</td>
<td>220,994</td>
<td>218,391 (a)</td>
<td>-2,603 (b)</td>
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<tr>
<td>Other services</td>
<td>0</td>
<td>3,500</td>
<td>+3,500</td>
</tr>
<tr>
<td>Total fees</td>
<td>220,994</td>
<td>221,891 (b)</td>
<td>-897</td>
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Notes:
(a) This additional fee is subject to approval and final determination by the Audit Commission.
(b) Our work on the certification of claims and returns is ongoing and the final fee will be confirmed at the conclusion of this work.