

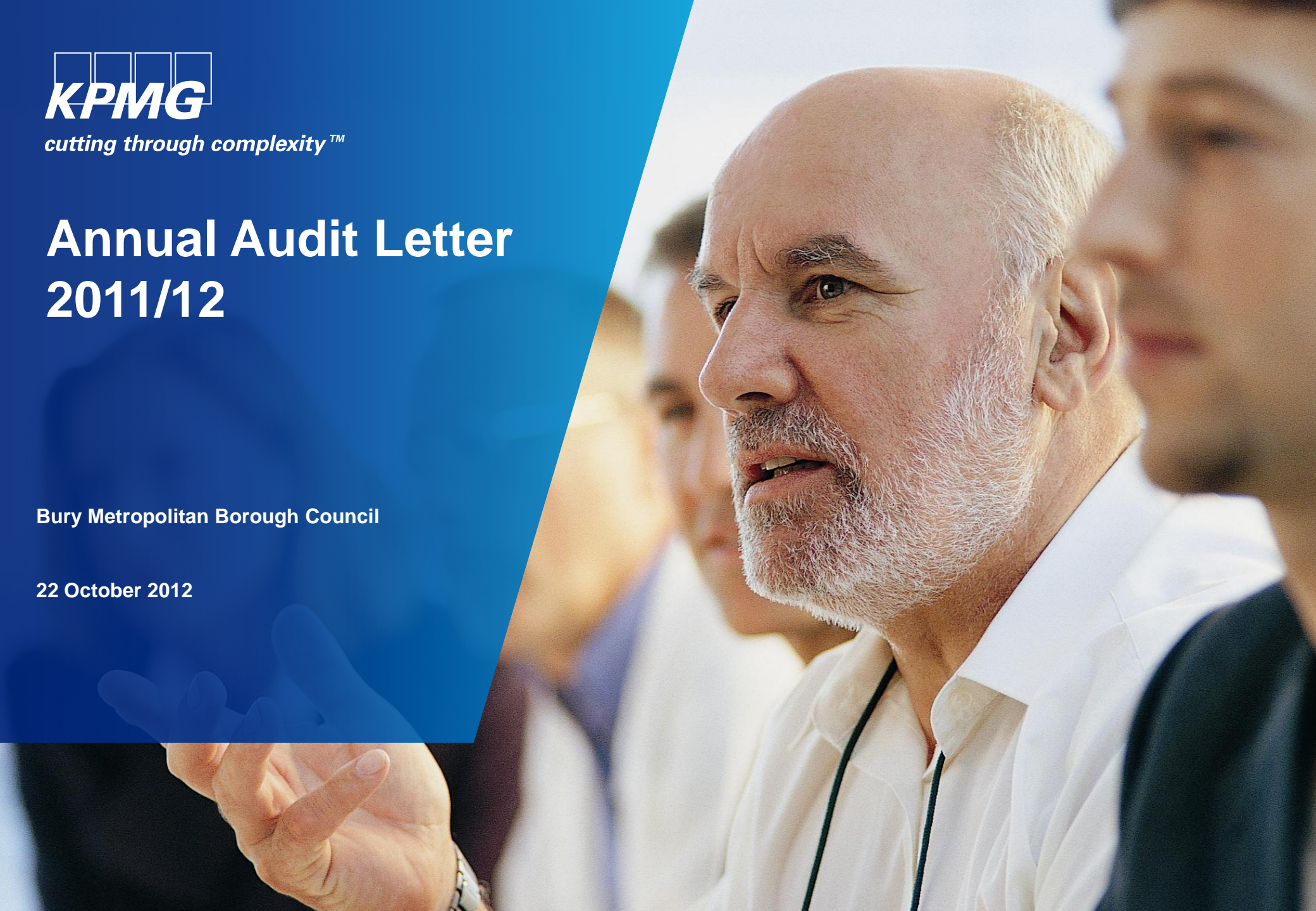


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Annual Audit Letter 2011/12

Bury Metropolitan Borough Council

22 October 2012



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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. 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, Westward House, Lime Kiln Close, Stoke Gifford, Bristol, BS34 8SR or by email to complaints@audit-commission.gov.uk. Their telephone number is 0844 798 3131, textphone (minicom) 020 7630 0421.

This report summarises the key findings from our 2011/12 audit of Bury Metropolitan Borough Council (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 2011/12 financial statements and the 2011/12 VFM conclusion.

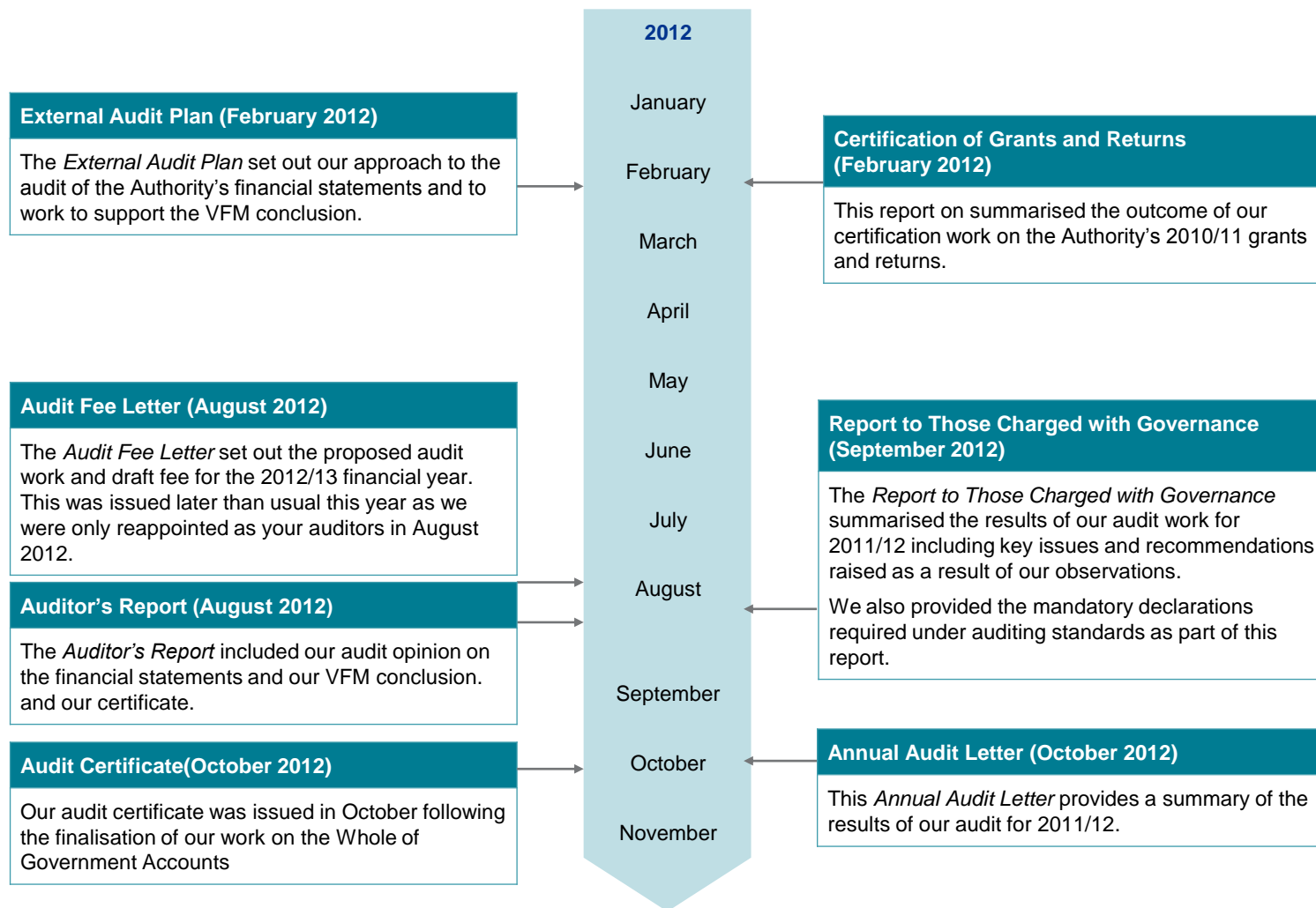
VFM conclusion	<p>We issued an unqualified value for money ('VFM') conclusion for 2011/12 on 31 August 2012.</p> <p>This means we are satisfied that you have proper arrangements for securing financial resilience and challenging how you secure economy, efficiency and effectiveness.</p> <p>To arrive at 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.</p>
VFM risk areas	<p>We have considered there to be a specific VFM risk with regards to financial planning due to the current economic conditions and the level of required savings that the Authority will need to achieve.</p> <p>Based on our work performed in this area we are satisfied that the Authority has put appropriate procedures in place and that the medium term financial plan and plan for change help to mitigate this risk.</p>
Audit opinion	<p>We issued an unqualified opinion on your financial statements on 31 August 2012. 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> <p>The financial statements also include those of the Authority's Group, which consists of the Authority itself and its subsidiaries Six Town Housing and Bury MBC Townside Fields.</p>
Financial statements audit	<p>Our audit did not identify any material errors or adjustments. There was one prior period adjustment required arising from changes to the CIFA Code of Practice in respect of Heritage Assets. This was for a total of £23.6m. The impact of this adjustment is to:</p> <ul style="list-style-type: none"> ▪ Increase the net worth of the Authority as at 1 April 2010 by £23.6million. <p>Management had recognised this change as an in year revaluation therefore overall there was a nil impact on the net worth of the Authority as at 31 March 2012.</p>
Annual Governance Statement	<p>We reviewed your <i>Annual Governance Statement</i> 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>

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

High priority recommendations	<p>We raised no high priority recommendations as a result of our 2011/12 work.</p>
Certificate	<p>We issued our certificate on 3 October 2012.</p> <p>The certificate confirms that we have concluded the audit for 2011/12 in accordance with the requirements of the <i>Audit Commission Act 1998</i> and the Audit Commission's <i>Code of Audit Practice</i>.</p>
Audit fee	<p>Our fee for 2011/12 was £257,000, excluding VAT. The the estimated fee for grants certification is £35,000 which will be finalised once the work for all grants audits is completed.</p> <p>This fee is in line with the planned fee included in our Audit Fee Letter issued in April 2011.</p> <p>Further detail is contained in Appendix 2.</p>

Appendix 1: Summary of reports issued

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



This appendix provides information on our final fees for 2011/12.

To make sure that there is openness between us and your Audit Committee about the extent of our fee relationship with you, we have summarised below the outturn against the 2011/12 planned external audit fee.

External audit

Our final fee for the 2011/12 audit of the Authority was £256,950. This is an overall reduction of 10 percent on the comparative total fee for 2010/11 of £285,500.

The final fee compares to a planned fee of £256,950.

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 2011/12* which we are due to issue in January 2013.

Other services

We have not provided any other services to the Authority during the year ending 31 March 2012.



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