



Annual Audit Letter 2016/17

Western Riverside Waste Authority

—

October 2017



Contents

The contacts at KPMG in connection with this report are:

Joanne Lees
Director
KPMG LLP (UK)

Tel: 07833 747074
joanne.lees@kpmg.co.uk

Antony Smith
Manager
KPMG LLP (UK)

Tel: 07824 415095
antony.smith@kpmg.co.uk

Page

Report sections

— Headlines 3

Appendices

1. Key issues and recommendations 4
2. Summary of reports issues 5
3. Audit fees 6

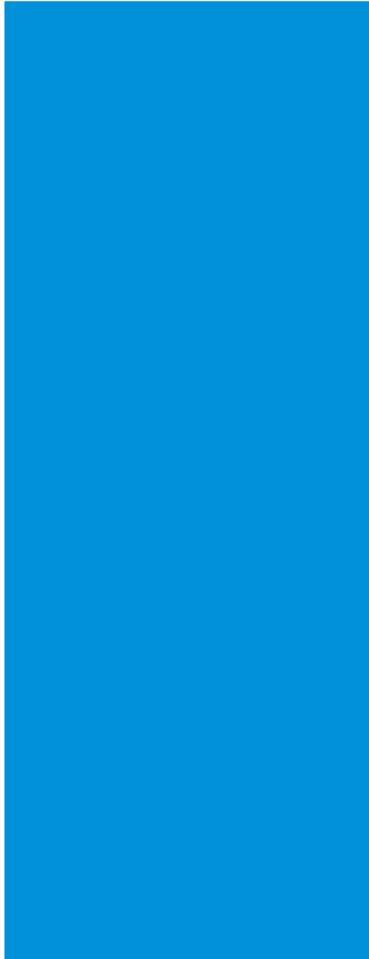
This report is addressed to the Authority and has been prepared for the sole use of the Authority. We take no responsibility to any member of staff acting in their individual capacities, or to third parties. Public Sector Audit Appointments issued a document entitled Statement of Responsibilities of 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.

<p>This Annual Audit Letter summarises the outcome from our audit work at Western Riverside Waste Authority in relation to the 2016/17 audit year.</p> <p>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.</p> <p>We have issued our certificate to confirm the completion of our audit responsibilities for the 2016/17 audit year.</p>	VFM conclusion	<p>We issued an unqualified conclusion on the Authority's arrangements to secure value for money (VFM conclusion) for 2016/17 on 28 September 2017. 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>
	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.</p>
	Audit opinion	<p>We issued an unqualified opinion on the Authority's financial statements on 28 September 2017. 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>In terms of our audit of the financial statements we noted that in relation to the reinstatement works at the Smuggler's Way facility, the works were not actually completed until May 2017. The Authority's view was that as the works were almost complete, it would be appropriate to not impair the value of plant and machinery in use at 31 March 2017. On the basis of the evidence provided we were satisfied that there was not a material mis-statement in the value of plant and machinery at 31 March 2017, but the Authority needed to explain the position and circumstances as a disclosure in the financial statements.</p>
	Other information accompanying the financial statements	<p>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.</p>
	Whole of Government Accounts	<p>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.</p>
	High priority recommendation	<p>We raised one high priority recommendation as a result of our 2016/17 audit work. This related to the timing of the Notice of Audit, and is detailed in Appendix 1 together with the action plan agreed by management.</p> <p>We will formally follow up this recommendation as part of our 2017/18 work.</p>
	Certificate	<p>We issued our certificate on 28 September 2017. The certificate confirms that we have concluded the audit for 2016/17 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 2016/17 was in line with the planned fee at £15,660, excluding VAT. Further detail is contained in Appendix 3.</p>

Appendix 1: Key issues and recommendations

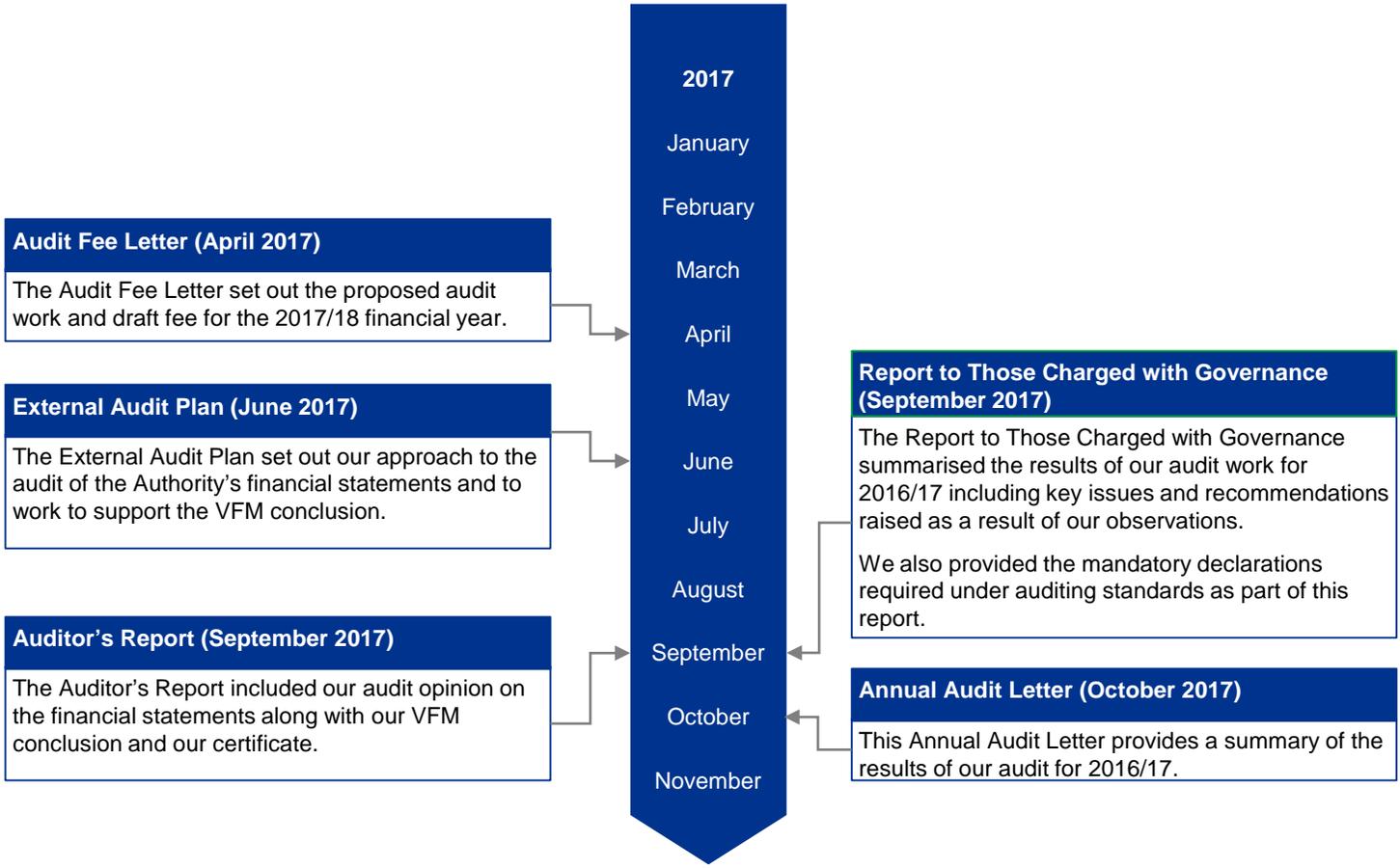


No.	Issue and recommendation	Management response / responsible officer / due date
1	<p>Notice of Audit</p> <p>The Authority has failed to advertise the audit via a public inspection notice in accordance with the Accounts and Audit Regulations 2015. The Regulations require the accounts to be available for public inspection for 30 working days and for the year ended 31 March 2017, this period must include the first 10 working days in July 2017. The Authority's period commenced on 7 August 2017 and end on 18 September 2017. Although this is not in accordance with the Regulations, we are satisfied that the Authority has afforded electors an appropriate opportunity to exercise their rights.</p> <p>Recommendation</p> <p>The Authority must ensure that it advertises the audit of its accounts in accordance with the Accounts and Audit Regulations 2015. For the financial year ended 31 March 2018, the period is required to include the first 10 working days of June 2018.</p>	<p>Management Response</p> <p>Accepted</p> <p>Owner</p> <p>Deputy Treasurer</p> <p>Deadline</p> <p>31 May 2018</p>

Appendix 2: Summary of reports issued

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

These reports can be accessed via the Authority pages on the Authority's website at www.wrwa.gov.uk.



Appendix 3: Audit fees

This appendix provides information on our final fees for the 2016/17 audit.

To ensure transparency about the extent of our fee relationship with the Authority we have summarised below the outturn against the 2016/17 planned audit fee.

External audit

Our final fee for the 2016/17 audit of the Authority was £15,660, which is in line with the planned fee.

Other services

We did not charge any additional fees for other services.



kpmg.com/socialmedia



kpmg.com/app

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.

© 2017 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.