

**Our reference** 20121002 – Annual Audit Letter

2 October 2012

The Members of the Royal Borough of Kensington  
and Chelsea  
Town Hall  
Hornton Street  
Kensington  
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Ladies and gentlemen

## **Annual Audit Letter 2011/12**

I am pleased to submit my Annual Audit Letter, which summarises the results of my 2011/12 audit of the Royal Borough, including its Pension Fund.

### **Reporting the results of my audit**

My Annual Governance Reports were presented to the Audit and Transparency Committee on 25 September 2012. Those reports set out the findings of my audits of the 2011/12 financial statements of the Royal Borough and its Pension Fund. I will not repeat those findings in this letter.

Following the Audit and Transparency Committee, on 26 September 2012, I:

- issued unqualified opinions on the 2011/12 financial statements of the Royal Borough and its Pension Fund;
- concluded that the Royal Borough made proper arrangements to secure economy, efficiency and effectiveness in its use of resources for 2011/12;
- issued my assurance statement on the Royal Borough's 2011/12 Whole of Government Accounts' consolidation pack; and
- certified completion of the 2011/12 audit.

### **Fees**

The Royal Borough's Annual Governance Report set out the fees charged for my work this year, but included an estimate of the fees for the certification of grant claims. I now therefore provide an update in the table overleaf.

**Table 1 Fees for 2011/12**

	Planned fee 2011/12 (£)	Actual fee 2011/12 (£)
Audit*	265,500	265,500
Claims and returns **	71,500	50,000
Pension Fund*	35,000	35,000
Non-audit work	0	0
Total	372,000	350,500

\* The fees do not reflect the eight per cent rebate that the Audit Commission has paid to reflect internal efficiency savings.

\*\* The reduction mainly reflects:

- a reduction in the number of grant claims subject to certification this year, from eight to five; and
- a reduction in the number of errors identified in the samples selected for testing for the Housing Benefit claim, which reduced the level of required certification work.

### Closing remarks

I have agreed this letter with the Town Clerk and Executive Director of Finance. I would like to thank officers, and Members of the Audit and Transparency Committee, for the positive and constructive approach they have taken to what is my, and the Audit Commission's Audit Practice's, last audit of the Royal Borough.

Yours sincerely

Michael Haworth-Maden  
District Auditor

cc Mr D Myers, Joint Chief Executive  
Mr N Holgate, Town Clerk and Executive Director of Finance