

Annual governance report

Suffolk County Council

Audit 2011/12



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Key messages

This report summarises the findings from the 2011/12 audit which is substantially complete. It includes the messages arising from my audit of your financial statements and the results of the work I have undertaken to assess your arrangements to secure value for money in your use of resources.

Financial statements

The audit is substantially complete and upon member approval of the final version of the accounts at the Audit Committee on 27 September 2012, receipt of the letter of representation and submission of the Whole of Government Accounts return I propose to issue an unqualified opinion and certificate.

My audit identified no errors that impacted upon the usable reserves of the Authority. It did however identify a number of disclosure errors, all of which have been amended.

The documentation and working papers supporting the accounts were again of a very good standard. A number of amendments were made to disclosure notes to aid clarity and correct typographical errors.

Value for money (VFM)

I intend to issue an unqualified conclusion stating that the Authority has made proper arrangements to secure economy, efficiency and effectiveness in your use of resources.

Securing financial resilience

The Authority continues to build on its secure financial base. There are strong, well managed systems in place to develop, monitor and deliver a detailed Medium Term Financial Strategy (MTFS). The existing MTFS contains a detailed analysis of the impact of the recession and is agreed following detailed member scrutiny.

Securing economy, efficiency and effectiveness

The Authority has continued to deliver effective performance against tighter budgetary constraints and deliver the cost reduction programmes.

Certificate

As all elements of the audit are now substantially complete, I expect to issue my certificate to close the audit on 28 September 2012.

Before I give my opinion and conclusion

My report includes only matters of governance interest that have come to my attention in performing my audit. I have not designed my audit to identify all matters that might be relevant to you.

Independence

I can confirm that I have complied with the Auditing Practices Board's ethical standards for auditors, including ES 1 (revised) - Integrity, Objectivity and Independence.

I am not aware of any relationships that may affect the independence and objectivity of the Audit Commission, the audit team or me, that I am required by auditing and ethical standards to report to you.

The Audit Commission's Audit Practice has not undertaken any non-audit work for the Authority during 2011/12.

I ask the Audit Committee to:

- take note of the adjustment to the financial statements included in this report; and
- approve the letter of representation (appendix 2), on behalf of the Authority before I issue my opinion and conclusion.

Financial statements

The Authority's financial statements and annual governance statement are important means by which the Authority accounts for its stewardship of public funds. As elected Members you have final responsibility for these statements. It is important that you consider my findings before you adopt the financial statements and the annual governance statement.

Opinion on the financial statements

Subject to satisfactory clearance of outstanding matters, I plan to issue an audit report including an unqualified opinion on the financial statements. Appendix 1 contains a copy of my draft audit report.

Corrected errors

My audit identified no errors that impacted upon the usable reserves of the Authority. It did however identify the following disclosure error:

Termination Benefits and Exit Packages – Disclosure Note 37

The Code of Audit Practice for 2011/12 includes a new requirement regarding the disclosure of termination benefits and exit packages paid by the Authority during the financial year. The Code requires disclosure of the total number of exit package and the total value of those packages in bands of £20,000. The Authority has included the required disclosure note in the financial statements at Note 37.

However, our testing of the termination benefits and exit packages disclosure note highlighted that the information on which the note was constructed contained two errors:

- double counting a certain elements of the termination benefits paid during the year; and
- the incorrect inclusion of the capital element of pensions costs arising from termination benefits.

As a result of these errors Note 37 overstated the terminations payments made by the Authority during the year, and the banding allocation was incorrect. The Authority has corrected these errors and Note 37 is now correctly stated.

Significant risks and my findings

I reported to you in my 2011/12 Audit Plan the one significant risk that I identified relevant to my audit of your financial statements. In Table 1 I report to you my findings against this risk.

Table 1: **Risk and findings**

Risk	Finding
<p>Group accounts</p> <p>The Authority has a wholly-owned interest in Eastern Facilities Management Solutions (EFMS) Ltd which was incorporated in 2011/12. The interest is quantitatively and qualitatively material to the group and therefore the Authority should consolidate EFMS Ltd into Suffolk County Council's group accounts as required by the Code of Practice on Local Authority Accounting in the United Kingdom (Code of Practice).</p> <p>The Authority should complete an annual assessment to determine whether there are any additional entities that are now captured under group accounts arrangements.</p> <p>There is a risk that the 2011/12 financial statements do not meet the requirements as defined by the Code.</p>	<p>Audit procedures undertaken have confirmed that the Authority has:</p> <ul style="list-style-type: none">■ identified all potential group entities;■ adopted and correctly applied accounting policies that comply with the requirements of the Code and the IFRS; and■ made all appropriate disclosures in accordance with adopted accounting policies and requirements of the Code and the IFRS.

Significant weaknesses in internal control

It is the responsibility of the Authority to develop and implement systems of internal financial control and to put in place proper arrangements to monitor their adequacy and effectiveness in practice. My responsibility as your auditor is to consider whether the Authority has put adequate arrangements in place to satisfy itself that the systems of internal financial control are both adequate and effective in practice.

I have tested the controls of the Authority only to the extent necessary for me to complete my audit. I am not expressing an opinion on the overall effectiveness of internal control. I have reviewed the Annual Governance Statement and can confirm that:

- it complies with the requirements of CIPFA/SOLACE Delivering Good Governance in Local Government Framework; and
- it is consistent with other information that I am aware of from my audit of the financial statements.

I have not identified any weaknesses in internal control that require reporting to the Audit Committee.

Quality of your financial statements

I considered aspects of your accounting practices, accounting policies, accounting estimates and financial statements disclosures. The documentation and working papers supporting the accounts were again of a very good standard. A number of amendments were made to disclosure notes to aid clarity and correct typographical errors.

Therefore there are no significant matters I need to bring to your attention.

Whole of Government Accounts

Alongside my work on the financial statements, I have also reviewed and will be reporting to the National Audit Office on your Whole of Government Accounts return prior to issuing my audit certificate. The extent of my review and the nature of my report were specified by the National Audit Office. I have no matters to report.

Letter of representation

Before I issue my opinion, auditing standards require me to ask you and management for written representations about your financial statements and governance arrangements. A copy of a letter of representation is included in Appendix 2.

Value for money

I am required to conclude whether the Authority put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources. This is the value for money conclusion.

I assess your arrangements against the two criteria specified by the Commission. In my 2011-12 Audit Plan I reported to you that having considered the risks that are relevant to my value for money conclusion I had not identified any that meet the definition of significant. I have set out below my conclusion on the two criteria, including the findings of my work.

I intend to issue an unqualified conclusion stating that the Authority has proper arrangements to secure economy, efficiency and effectiveness in the use of its resources. I include my draft conclusion in Appendix 1.

Table 2: **Value for money conclusion criteria and my findings**

Criteria	Findings
<p>1. Financial resilience</p> <p>The organisation has proper arrangements in place to secure financial resilience.</p> <p>Focus for 2011/12:</p> <p>The organisation has robust systems and processes to manage effectively financial risks and opportunities, and to secure a stable financial position that enables it to continue to operate for the foreseeable future.</p>	<p>The Authority continues to build on its secure financial base. There are strong, well managed systems in place to develop, monitor and deliver a detailed Medium Term Financial Strategy (MTFS). The existing MTFS contains a detailed analysis of the impact of the recession and is agreed following detailed member scrutiny.</p> <p>The Authority has ongoing savings and efficiency plans, focussing on longer term financial solutions. There is no evidence of dependency on reserves and investment income to balance budgets, or the use of reserves to fund recurrent expenditure. Reserves are in line with target levels.</p> <p>The Authority has reviewed its priorities and strategic direction in light of ongoing financial pressures and undertakes regular communication with staff and external stakeholders regarding the medium- to long-term financial strategy, current financial position and likely financial challenges.</p>

Criteria	Findings
	<p>The Authority delivered a revenue underspend of £10.825m (after adjusting for the Dedicated Schools Grant) at the end of 2011/12. This underspend was achieved whilst delivering the savings target of £42.520m and provides clear evidence that budget monitoring arrangements are robust.</p> <p>The Authority recognises the significant further savings targets that are required in 2012/13 and beyond and have implemented budgetary programmes to deliver these.</p>
<p>2. Securing economy efficiency and effectiveness</p> <p>The organisation has proper arrangements for challenging how it secures economy, efficiency and effectiveness.</p> <p>Focus for 2011/12:</p> <p>The organisation is prioritising its resources within tighter budgets, for example by achieving cost reductions and by improving efficiency and productivity.</p>	<p>The Authority has continued to deliver effective performance against tighter budgetary constraints and deliver the cost reduction programmes.</p> <p>There is ongoing evidence of strong leadership from senior management to ensure that resources are prioritised and a focus on spending reductions. Service reviews have been undertaken to find efficiencies in delivery of functions and resources have been reallocated to meet changing needs. Consultation exercises are carried out on the Council's plans.</p> <p>There is a good understanding of costs and how these relate to performance. The Council investigates longer term options to achieve cost reductions and projects and procurement exercises are informed by clear financial planning. Continual efforts are made to drive costs down in response to financial pressures; budget monitoring and forecasting is excellent; as demonstrated through the achievement of the 2011/12 outturn position as noted above.</p>

Fees

I reported my planned audit fee in my letter of 20 April 2011 and in the 2011/12 Audit Plan.

I will complete the audit within the planned fee. As reported in my 2011/12 Audit Plan, I set the fee equal to the Audit Commission scale fee.

Table 3: Fees

	Planned fee 2011/12 (£)	Expected fee 2011/12 (£)
Audit	201,150	201,150
Claims and returns	20,000	**20,000
Non-audit work	0	0
Total	221,150	*221,150

* The Audit Commission has paid a rebate of £16,100 to reflect attaining internal efficiency savings, reducing the net amount paid to the Audit Commission to £205,050.

** The estimated claims and returns fee comprises £7,000 for the Teachers Pensions Return which will be undertaken by the Audit Practice of the Audit Commission as the outgoing external auditors. The remainder of the fee estimate relates to the Schools Centred Initial Teacher Training scheme, the accounts of which will be certified by Ernst and Young LLP, as incoming external auditors to the Authority.

Appendix 1 – Draft independent auditor’s report

INDEPENDENT AUDITOR’S REPORT TO THE MEMBERS OF SUFFOLK COUNTY COUNCIL

Opinion on the Authority and firefighters’ pension fund financial statements

I have audited the financial statements and the firefighters’ pension fund financial statements of Suffolk County Council for the year ended 31 March 2012 under the Audit Commission Act 1998. The Authority financial statements comprise the Authority and Group Movement in Reserves Statement, the Authority and Group Comprehensive Income and Expenditure Statement, the Authority and Group Balance Sheet, the Authority and Group Cash Flow Statement and the related notes. The firefighters’ pension fund financial statements comprise the Fund Account, the Net Assets Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2011/12.

This report is made solely to the members of Suffolk County Council in accordance with Part II of the Audit Commission Act 1998 and for no other purpose, as set out in paragraph 48 of the Statement of Responsibilities of Auditors and Audited Bodies published by the Audit Commission in March 2010.

Respective responsibilities of the Head of Strategic Finance and auditor

As explained more fully in the Statement of the Head of Strategic Finance Responsibilities, the Head of Strategic Finance is responsible for the preparation of the Statement of Accounts, which include the Authority financial statements and the firefighters pension fund financial statements, in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom, and for being satisfied that they give a true and fair view. My responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require me to comply with the Auditing Practices Board’s Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Authority and the firefighters pension fund's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Head of Strategic Finance; and the overall presentation of the financial statements. In addition, I read all the financial and non-financial information in the explanatory foreword to identify material inconsistencies with the audited financial statements. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my report.

Opinion on financial statements

In my opinion the financial statements:

- give a true and fair view of the financial position of Suffolk County Council as at 31 March 2012 and of its expenditure and income for the year then ended;
- give a true and fair view of the financial position of the Group as at 31 March 2012 and of its expenditure and income for the year then ended;
- give a true and fair view of the financial transactions of the firefighters' pension fund during the year ended 31 March 2012 and the amount and disposition of the fund's assets and liabilities as at 31 March 2012, other than liabilities to pay pensions and other benefits after the end of the scheme year; and
- have been prepared properly in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2011/12.

Opinion on other matters

In my opinion, the information given in the explanatory foreword for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which I report by exception

I report to you if:

- in my opinion the annual governance statement does not reflect compliance with 'Delivering Good Governance in Local Government: a Framework' published by CIPFA/SOLACE in June 2007;
- I issue a report in the public interest under section 8 of the Audit Commission Act 1998;
- I designate under section 11 of the Audit Commission Act 1998 any recommendation as one that requires the Authority to consider it at a public meeting and to decide what action to take in response; or
- I exercise any other special powers of the auditor under the Audit Commission Act 1998.

I have nothing to report in these respects

Opinion on the pension fund financial statements

I have audited the pension fund financial statements for the year ended 31 March 2012 under the Audit Commission Act 1998. The pension fund financial statements comprise the Fund Account, the Net Assets Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2011/12.

This report is made solely to the members of Suffolk County Council in accordance with Part II of the Audit Commission Act 1998 and for no other purpose, as set out in paragraph 48 of the Statement of Responsibilities of Auditors and Audited Bodies published by the Audit Commission in March 2010.

Respective responsibilities of the Head of Strategic Finance and auditor

As explained more fully in the Statement of the Head of Strategic Finance Responsibilities, the Head of Strategic Finance is responsible for the preparation of the Statement of Accounts, which include the pension fund financial statements, in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom, and for being satisfied that they give a true and fair view. My responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require me to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the fund's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Head of Strategic Finance; and the overall presentation of the financial statements. In addition, I read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my report.

Opinion on financial statements

In my opinion the pension fund's financial statements:

- give a true and fair view of the financial transactions of the pension fund during the year ended 31 March 2012 and the amount and disposition of the fund's assets and liabilities as at 31 March 2012; and
- have been prepared properly in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2011/12.

Opinion on other matters

In my opinion, the information given in the annual report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Conclusion on Authority's arrangements for securing economy, efficiency and effectiveness in the use of resources

Respective responsibilities of the Authority and the auditor

The Authority is responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources, to ensure proper stewardship and governance, and to review regularly the adequacy and effectiveness of these arrangements.

I am required under Section 5 of the Audit Commission Act 1998 to satisfy myself that the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. The Code of Audit Practice issued by the Audit Commission requires me to report to you my conclusion relating to proper arrangements, having regard to relevant criteria specified by the Audit Commission.

I report if significant matters have come to my attention which prevent me from concluding that the Authority has put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources. I am not required to consider, nor have I considered, whether all aspects of the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

Scope of the review of arrangements for securing economy, efficiency and effectiveness in the use of resources

I have undertaken my audit in accordance with the Code of Audit Practice, having regard to the guidance on the specified criteria, published by the Audit Commission in October 2011, as to whether the Authority has proper arrangements for:

- securing financial resilience; and
- challenging how it secures economy, efficiency and effectiveness.

The Audit Commission has determined these two criteria as those necessary for me to consider under the Code of Audit Practice in satisfying myself whether the Authority put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2012.

I planned my work in accordance with the Code of Audit Practice. Based on my risk assessment, I undertook such work as I considered necessary to form a view on whether, in all significant respects, the Authority had put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources.

Conclusion

On the basis of my work, having regard to the guidance on the specified criteria published by the Audit Commission in October 2011, I am satisfied that, in all significant respects, Suffolk County Council put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2012.

Certificate

I certify that I have completed the audit of the accounts of Suffolk County Council in accordance with the requirements of the Audit Commission Act 1998 and the Code of Audit Practice issued by the Audit Commission.

Neil Harris
District Auditor

Audit Commission,
3rd Floor,
Eastbrook,
Shaftesbury Road,
Cambridge CB2 8BF

September 2012

Appendix 2 – Draft letter of management representation

To:
Neil Harris
District Auditor
Audit Commission,
3rd Floor,
Eastbrook,
Shaftesbury Road,
Cambridge CB2 8BF

Suffolk County Council - Audit for the 2011/12 year ended 31 March 2012

I confirm to the best of my knowledge and belief, having made appropriate enquiries of other officers and members of Suffolk County Council, the following representations given to you in connection with your audit of the Authority's financial statements for the year ended 31 March 2012.

Compliance with the statutory authorities

I have fulfilled my responsibility under the relevant statutory authorities for preparing the financial statements in accordance with the Accounts and Audit (England) Regulations 2011 and the Code of Practice on Local Authority Accounting in the United Kingdom which give a true and fair view of the financial position and financial performance of the Authority, for the completeness of the information provided to you, and for making accurate representations to you.

Supporting records

I have made available all relevant information and access to persons within the Authority for the purpose of your audit. I have properly reflected and recorded in the financial statements all the transactions undertaken by the Authority.

Irregularities

I acknowledge my responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud or error.

I also confirm that I have disclosed:

- my knowledge of fraud, or suspected fraud, involving either management, employees who have significant roles in internal control or others where fraud could have a material effect on the financial statements;
- my knowledge of any allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, analysts, regulators or others; and
- the results of our assessment of the risk the financial statements may be materially misstated as a result of fraud.

Law, regulations, contractual arrangements and codes of practice

I have disclosed to you all known instances of non-compliance, or suspected non-compliance with laws, regulations and codes of practice, whose effects should be considered when preparing financial statements.

Transactions and events have been carried out in accordance with law, regulation or other authority. The Authority has complied with all aspects of contractual arrangements that could have a material effect on the financial statements in the event of non-compliance.

All known actual or possible litigation and claims, whose effects should be considered when preparing the financial statements, have been disclosed to the auditor and accounted for and disclosed in accordance with the applicable financial reporting framework.

Accounting estimates including fair values

I confirm the reasonableness of the significant assumptions used in making the accounting estimates, including those measured at fair value.

Related party transactions

I confirm that I have disclosed the identity of the Authority's related parties and all the related party relationships and transactions of which I am aware. I have appropriately accounted for and disclosed such relationships and transactions in accordance with the requirements of the Code.

Contingent liabilities

I confirm that there are no contingent liabilities that have not been disclosed in the financial statements but should have been. In particular:

- there is no significant pending or threatened litigation, other than those already disclosed in the financial statements;
- there are no material commitments or contractual issues, other than those already disclosed in the financial statements; and
- no financial guarantees have been given to third parties.

Subsequent events

I have adjusted for or disclosed in the financial statements all relevant events subsequent to the date of the financial statements.

Comparative financial statements

A restatement was made to correct a number of material misstatements in the prior period financial statements. The impact of these restatements on the comparative information included in the financial statements is disclosed in Note 48 to the accounts. Written representations previously made in respect of the prior period remain appropriate.

Signed on behalf of Suffolk County Council

I confirm that this letter has been discussed and agreed by the Audit Committee of Suffolk County Council on 27 September 2012.

Signed

Name

Position

Date

Appendix 3 – Glossary

Annual Audit Letter

Letter issued by the auditor to the Authority after the completion of the audit that summarises the audit work carried out in the period and significant issues arising from auditors' work.

Annual Governance Report

The auditor's report on matters arising from the audit of the financial statements presented to those charged with governance before the auditor issues their opinion [and conclusion].

Annual Governance Statement

The annual report on the Authority's systems of internal control that supports the achievement of the Authority's policies aims and objectives.

Audit of the accounts

The audit of the accounts of an audited body comprises all work carried out by an auditor under the Code to meet their statutory responsibilities under the Audit Commission Act 1998.

Audited body

A body to which the Audit Commission is responsible for appointing the external auditor.

Auditing Practices Board (APB)

The body responsible in the UK for issuing auditing standards, ethical standards and associated guidance to auditors. Its objectives are to establish high standards of auditing that meet the developing needs of users of financial information and to ensure public confidence in the auditing process.

Auditing standards

Pronouncements of the APB that contain basic principles and essential procedures with which auditors must comply, except where otherwise stated in the auditing standard concerned.

Auditor(s)

Auditors appointed by the Audit Commission.

Code (the)

The Code of Audit Practice for local government bodies issued by the Audit Commission and approved by Parliament.

Commission (the)

The Audit Commission for Local Authorities and the National Health Service in England.

Ethical Standards

Pronouncements of the APB that contain basic principles relating to independence, integrity and objectivity that apply to the conduct of audits and with which auditors must comply, except where otherwise stated in the standard concerned.

Financial statements

The annual statement of accounts that the Authority is required to prepare, which report the financial performance and financial position of the Authority in accordance with the Accounts and Audit (England) Regulations 2011 and the Code of Practice on Local Authority Accounting in the United Kingdom.

Group accounts

Consolidated financial statements of an Authority and its subsidiaries, associates and jointly controlled entities.

Internal control

The whole system of controls, financial and otherwise, that the Authority establishes to provide reasonable assurance of effective and efficient operations, internal financial control and compliance with laws and regulations.

Materiality

The APB defines this concept as ‘an expression of the relative significance or importance of a particular matter in the context of the financial statements as a whole. A matter is material if its omission would reasonably influence the decisions of an addressee of the auditor’s report; likewise a misstatement is material if it would have a similar influence. Materiality may also be considered in the context of any individual primary statement within the financial statements or of individual items included in them. Materiality is not capable of general mathematical definition, as it has both qualitative and quantitative aspects’.

The term ‘materiality’ applies only to the financial statements. Auditors appointed by the Commission have responsibilities and duties under statute, as well as their responsibility to give an opinion on the financial statements, which do not necessarily affect their opinion on the financial statements.

Significance

The concept of ‘significance’ applies to these wider responsibilities and auditors adopt a level of significance that may differ from the materiality level applied to their audit of the financial statements. Significance has both qualitative and quantitative aspects.

Those charged with governance

Those entrusted with the supervision, control and direction of the Authority. This term includes the members of the Authority and its Audit Committee.

Whole of Government Accounts

A project leading to a set of consolidated accounts for the entire UK public sector on commercial accounting principles. The Authority must submit a consolidation pack to the department for Communities and Local Government which is based on, but separate from, its financial statements.

If you require a copy of this document in an alternative format or in a language other than English, please call:
0844 798 7070

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The Statement of Responsibilities of Auditors and Audited Bodies issued by the Audit Commission explains the respective responsibilities of auditors and of the audited body. Reports prepared by appointed auditors are addressed to non-executive directors, members or officers. They are prepared for the sole use of the audited body. Auditors accept no responsibility to:

- any director/member or officer in their individual capacity; or
- any third party.

