

Annual governance report

City of York 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

My audit work is now substantially complete. Subject to satisfactory clearance of outstanding matters, I intend to issue an unqualified opinion on the Council's 2011/12 financial statements.

Value for money (VFM)

I expect to conclude that you have made proper arrangements to secure economy, efficiency and effectiveness in your use of resources. The Council is facing significant funding reductions, but financial planning is based on realistic assumptions and volatile budgets have been successfully managed to date. The Council is not high cost compared to others, and there is an increasing focus in providing services for those most in need.

Certificate

I expect to complete all outstanding audit work and issue my certificate by 30 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 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.

Fees

I reported my planned audit fee in the 2011/12 Audit Plan, and will complete the audit within the planned fee as previously agreed.

Table 1: **Fees**

	Planned fee 2011/12 (£)	Expected fee 2011/12 (£)
Audit	£224,010	£224,010
Claims and returns	49,280	49,280
Non-audit work	5,000 *	5,000
Total	£278,290	£278,290

* asset management diagnostic – report issued December 2011.

The Audit Commission has paid separately a rebate of £17,921. This reflects additional internal efficiency savings.

I ask the Audit and Governance Committee to:

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

Financial statements

The financial statements and annual governance statement are important means by which the Council 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

My audit work is now substantially complete. I still await:

- letters of assurance from pension fund auditors
- confirmation from the Council's insurers regarding heritage asset values (art collections and civic regalia)
- some supporting information and explanations from the Council.

Subject to satisfactory clearance of these 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.

Errors adjusted by management

Prior period adjustments in respect of heritage assets and componentisation had been made to the 2011/12 draft accounts. The substance of these adjustments is correct but they had not been presented in the correct format. Some entries in the cash flow statement and related notes were also inconsistent with other entries in the accounts. Officers have agreed to make appropriate adjustments, and to correct the following errors identified during the course of the audit:

- Non ringfenced government grants incorrectly allocated between revenue and capital (£1.4m)
- Current service pension costs omitted in error from the CIES (£0.3m)
- Council dwellings incorrectly valued (£7.7m)
- Capital commitments in respect of West offices (£2.97m) omitted from the relevant disclosure note

The Council also agreed to include an additional post balance sheet events disclosure in respect of the recent MMI "trigger" case, and to make a number of other, more minor amendments to:

- correct minor casting, typing and cross referencing issues
- include additional disclosures, meeting Code requirements.

Significant risks and my findings

I reported in my 2011/12 Audit Plan the significant risks that I identified relevant to my audit of your financial statements. In Table 2 I report to you my findings against each of these risks.

Table 2: **Significant risks and audit findings**

Risk	Audit finding
<p>Heritage Assets</p> <p>The 2011/12 Code adopts the requirements of FRS 30 Heritage Assets. A heritage asset is a tangible asset with historical, artistic, scientific, technological, geophysical or environmental qualities that is held and maintained principally for its contribution to knowledge and culture. For City of York Council the value of such assets is likely to be material.</p>	<p>My work confirmed that heritage assets had been correctly identified, although some civic regalia, valued at £145,000 had been included twice in error. I am also obtaining specific confirmation from management and the Council's insurers to confirm ownership and the valuation of heritage assets. Some additional disclosures have been made to meet Code requirements.</p>
<p>Valuation of property, plant and equipment (PPE)</p> <p>The Council is required to value PPE at fair value (with some exceptions), and to implement component accounting as appropriate. There is an inherent risk that PPE valuations will be materially misstated due to errors in the valuation method, the fixed asset register itself, or failure to implement component accounting as required by the Code. Specific local risks at City of York Council relate to assets under construction, especially West Offices, and the value of council dwellings.</p>	<p>My work confirmed that in most cases PPE has been correctly identified and valued. However, I found that:</p> <ul style="list-style-type: none"> • some council dwellings had been incorrectly valued • capital commitment disclosures in relation to West Offices required adjustment.
<p>Accounts preparation</p> <p>The Council relies heavily on spreadsheets to prepare its year end accounts, and there is an inherent risk that superseded or inaccurate</p>	<p>I have undertaken detailed sample checks on spreadsheets, working papers and year end adjustments to the accounts, in addition to all material transactions, balances and disclosures. There are no issues of</p>

Risk

spreadsheets may be used in error, leading to material mis-statements. Service accountants rather than the central finance team are also heavily involved in the closedown process and this increases the risk of errors if there are inconsistencies in approach.

Estimation techniques

The prescribed deadlines for production of year end financial statements mean that estimation techniques are necessary to assess the value of future receipts and commitments. This increases the risk that income and expenditure transactions around the year end will not be correctly stated.

Joint waste PFI

The Council is contractually committed to a joint waste PFI with North Yorkshire County Council. The value of this contract is material to the 2011/12 accounts.

Details of payments due should be disclosed as soon as planning permission is granted, even though the scheme is not expected to be operational by 31 3 2012.

Implementation of new payroll system

The Council's new iTRent payroll and HR system went live in December 2011. This is a key financial information system, generating material expenditure assertions in the 2011/12 accounts.

Financial standing

A mandatory ISA+ requirement is to consider the impact of in-year financial performance on the organisation's overall financial standing. Half-year financial reports to members indicate a possible overspend of £3.5m against budget for 2011/12. If realised this would have a significant impact on useable general fund balances brought forward .

Restructuring and Redundancies

Audit finding

concern arising from this work.

I have successfully sample tested:

- all key accounting estimates
- year end journal adjustments
- income and expenditure transactions occurring around the year end.

We have confirmed that the joint waste PFI is not yet operational and that planning permission has yet to be secured. Therefore no disclosure of future liabilities is required. Compensation is payable to the contractor if the scheme does not eventually go ahead, and we have confirmed that this contingent liability is included in the accounts.

I have documented, assessed and sample tested both payroll systems. I have also reviewed work undertaken by Internal Audit.

I have reviewed year end financial outturn against budget and in-year reporting and ascertained the reason for any significant variations. I have also assessed the Council's overall financial standing and confirmed that the going concern assumption remains valid.

We have undertaken tests of detail to confirm that all severance,

Risk

A number of severance and exit packages have been agreed during the year.

HRA reform

The government has adopted a self-financing model for housing authorities from 1 April 2012. This has been achieved through a one-off settlement payment in the current year, used to redeem an equal percentage of loan debt and thereby reduce financing costs. Due to the complexity, magnitude and timing of the HRA reform there is risk that the financial statements will be materially misstated.

Audit finding

redundancy and exit packages have been properly approved by members and disclosed in the financial statements.

I have confirmed the value of the Council's HRA settlement payment, the redemption of debt, and the Council's accounting treatment of these transactions.

Significant weaknesses in internal control

It is the responsibility of the Council 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 Council 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 Council 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.

Issues relating to the regularity of bank reconciliations and control account reconciliations have been raised in earlier reports. I have no additional matters that I wish to bring to your attention.

Other matters

I am required to communicate to you significant findings from the audit and other matters that are significant to your oversight of the Council's financial reporting process including the following.

- Qualitative aspects of your accounting practices - these include accounting policies, accounting estimates and financial statement disclosures.
- Matters specifically required by other auditing standards to be communicated to those charged with governance. For example, issues about fraud, compliance with laws and regulations, external confirmations and related party transactions.
- Other audit matters of governance interest.

I have only two such matters to report:

Table 3: **Other matters**

Issue	Finding
Cash and Bank	<ul style="list-style-type: none"> ■ Cash and bank balances at the year end include £2.5m unallocated cash not processed through the ledger system until after the year end. This is an established accounting treatment at many local authorities, but it does overstate cash balances and understate debtors at the year end ■ Schools balances were reconciled at 23 3 2012 rather than 31 March 2012.
Component accounting	The Council have made reasonable progress to date in implementing IAS16 requirements, which state that

Issue	Finding
	<p>component accounting should be implemented as assets are revalued over time. However:</p> <ul style="list-style-type: none"><li data-bbox="613 284 1688 316">■ some land and buildings revalued during 2011/12 were not componentised; and<li data-bbox="613 331 1442 363">■ this process needs to be completed over the next two years.

Whole of Government Accounts

Alongside my work on the financial statements, I also review and report on your Whole of Government Accounts return. The extent of my review and the nature of my report are specified by the National Audit Office. As at 17 September 2012 I have not completed these procedures. However, I expect to complete this audit work and issue my report by 30 September 2012.

Value for money

I am required to conclude whether the Council put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources. This is known as the value for money conclusion, and I assess your arrangements against the criteria specified by the Commission.

In my 2011/12 Audit Plan I reported to you the significant risks that were relevant to my conclusion. I have set out below my conclusion on the two criteria, including the findings of my work in relation to each of the risks I identified.

Table 4: **Value for money conclusion criteria and my findings**

Criteria	Risk	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 Council may not fully understand its future financial challenges, and may focus on thinking and operating in the short term.</p> <p>There may be poor communication to staff and stakeholders about financial risks and the strategies in place to tackle them.</p> <p>Financial risks may not be properly identified or effectively managed. Budget setting processes may not be robust, and the Council may fail to manage its spending within budget or not meet key financial targets.</p> <p>Poor treasury management could lead to additional budget pressures, cash flow problems or non-compliance with Code and other requirements</p>	<p>The Cabinet receives regular and detailed reports about the financial position, savings required and strategies in place to tackle the problem. The medium term financial plan, together with more detailed annual budgets, set out how the Council intends to manage its finances over the next 3-5 years. Financial planning is based on realistic assumptions about pay, prices and funding, and the need to maintain adequate balances. Members are increasingly demonstrating their ability to make, and stick to, unpopular but necessary decisions.</p> <p>Budgetary control continues to improve and all financial data is subject to regular review. Although some particularly volatile budgets are expected to overspend in the current year,</p>

Criteria	Risk	Findings
<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>Insufficient action may be taken to review priorities and challenge established ways of working in the light of reduced funding. Savings decisions may not be based on adequate or up to date information, and may not properly consider the impact of savings delivery on the public and services.</p> <p>Efficiency plans may not be sufficiently challenging or detailed, and may focus on achieving short-term goals or ignore the potential impact on performance.</p> <p>Arrangements to monitor delivery of savings plans may be deficient.</p>	<p>these are being proactively managed and are offset by underspends elsewhere.</p> <p>City of York is not a high cost authority, but continues to deliver services that compare favourably with the national average. Consultation with the public informs every budget setting round, and there is an increasing focus on providing services for those most in need. Some innovative models of service delivery are in place, and there is scope to do more. Targets for financial savings are offset by additional investment in priority areas such as regeneration, and care for vulnerable adults and children.</p> <p>The Council's approach to savings and efficiency improvements has been more top down in 2011/12, with targets given to each Directorate as part of the budget setting process. Savings delivery is monitored through the corporate risk management process, as well as budgetary control, and indications to date are that a balanced budget will be delivered.</p>

I therefore 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.

Appendix 1 – Draft independent auditor’s report

INDEPENDENT AUDITOR’S REPORT TO THE MEMBERS OF CITY OF YORK COUNCIL

Opinion on the Council’s financial statements

I have audited the financial statements of City of York Council for the year ended 31 March 2012 under the Audit Commission Act 1998. The financial statements comprise the Movement in Reserves Statement, the Comprehensive Income and Expenditure Statement, the Balance Sheet, the Cash Flow Statement, the Housing Revenue Account Income and Expenditure Statement, the Movement on the Housing Revenue Account Statement and Collection Fund, 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 City of York 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 Director of Customer and Business Support Services and auditor

As explained more fully in the Statement of Responsibilities, the Director of Customer and Business Support Services is responsible for the preparation of the Statement of Accounts, which includes the 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 Council’s circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Director of Customer and Business Support Services 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 City of York Council as at 31 March 2012 and of its expenditure and income for the year then ended; 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

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

Respective responsibilities of the Council and the auditor

The Council 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 Council 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 Council 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 Council'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 Council 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, City of York 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 City of York Council in accordance with the requirements of the Audit Commission Act 1998 and the Code of Audit Practice issued by the Audit Commission.

Steve Nicklin

District Auditor

Audit Commission

Nickalls House

Metro Centre

Gateshead

NE11 9NH

September 2012

Appendix 2 – Draft letter of management representation

City of York Council - Audit for the year ended 31 March 2012

I confirm to the best of my knowledge and belief, having made appropriate enquiries of other directors of City of York Council, the following representations given to you in connection with your audit of the Council'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 Council, for the completeness of the information provided to you, and for making accurate representations to you.

Uncorrected misstatements

The following items have been identified during the course of the audit, however I am proposing not to adjust the financial statements because I am satisfied that they do not have a significant impact, either individually or in aggregate, on the Council's financial position:

- Civic regalia valued at £145,000 included twice in error
- PFI prepayments and liabilities both understated, the net impact on the accounts is £164,000

Supporting records

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

Internal control

I have communicated to you all deficiencies in internal control of which I am aware.

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 Council 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, as disclosed in the financial statements. I am satisfied that in all material respects:

- depreciation charges are adequate;
- property, plant and equipment, including heritage assets, have been appropriately valued and the basis of that valuation meets Code requirements.

Specific representations

- I confirm that all heritage assets included in the financial statements are owned by the Council and are not being held on behalf of, or for the benefit of, any other organisation or third parties

- all relevant information required for the correct calculation of pension fund liabilities have been made to the administering authority and their consulting actuaries, as requested. All unfunded liabilities have been included within the IAS 19 liabilities, so far as I am aware.
- I am satisfied that adequate steps have been taken to identify group arrangements, and that group accounts are not required in view of the non-material nature of the transactions involved.

Related party transactions

I confirm that I have disclosed the identity of the Council'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.

Subsequent events

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

Signed on behalf of City of York Council

I confirm that the this letter has been discussed and agreed by the Audit and Governance Committee on 27 September 2012

Signed

Name

Position

Date

Appendix 3 – Glossary

Annual Audit Letter

Letter issued by the auditor to the Council 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 Council's systems of internal control that supports the achievement of the Council'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 Council and its subsidiaries, associates and jointly controlled entities.

Internal control

The whole system of controls, financial and otherwise, that the Council 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 Council. This term includes the members of the Council 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 Council must submit a consolidation pack to the department for Communities and Local Government which is based on, but separate from, its financial statements.

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0844 798 7070

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

