

Annual governance report

Bath and North East Somerset Council

Audit 2011/12



Contents

Key messages	3
Before I give my opinion and conclusion	4
Financial statements	5
Value for money	10
Fees	12
Appendix 1 – Draft independent auditor’s report	13
Appendix 2 – Uncorrected errors	18
Appendix 3 – Corrected errors	19
Appendix 4 – Draft letter of management representation	20
Appendix 5 – Glossary	23

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

As at 11 September I expect to issue an unqualified audit opinion on the Council's financial statements (the statements) by 28 September.

The statements were presented promptly for audit at the end of June and were supported by good quality working papers. The number of audit adjustments was less than in previous years although I agreed two changes to the consolidated income and expenditure account and a number of changes to the disclosure notes.

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, like other public bodies, continues to face a challenging financial environment but during 2011/12 continued to maintain arrangements for monitoring its financial position and securing financial resilience.

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 2010/12.

I ask the Audit Committee to:

- take note of the adjustments to the financial statements included in this report (appendices 2 and 3); and
- approve the letter of representation (appendix 4), on behalf of the Council before I issue my opinion and conclusion.

Financial statements

The Council's 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

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.

Misstatements

I identified a small number of misstatements in the draft accounts presented for audit at the end of June. I summarise the two key issues below, these were presentational issues.

- The Accounting Code requires the consolidated income and expenditure account to show 'actuarial gains or losses' arising on movements in the pension fund assets and liabilities. This year total actuarial losses were assessed by the Actuary as £32.786 million. These arise, for example, from reductions in the discount rate applied to future pension commitments. The draft statements included only actuarial losses of £18.833 million, being losses arising on the pension funds liabilities. Losses arising on assets were omitted in error. Additional actuarial losses of £13.953 million were added to the consolidated income and expenditure account.
- In recent years the Council has had difficulty extracting clear information from its asset register. This was again a problem this year. The draft statements included impairments of £14.338 million. The correct figure was £10.203 million which was £4.135 million less than the figure reported in the draft statements. Expenditure in the consolidated income and expenditure account was reduced by £4.135 million. This also impacted on the cash flow statement where the net cost of services figure changed. It also required various changes to the disclosure notes including note 12 which analyses property plan and equipment and note 26 showing amounts reported for resource allocation decisions.

Neither of these adjustments affected the overall level of balances held by the Council, although correcting adjustments were required in the movement in reserves statement. There errors are set out in Appendix 3.

I also identified three errors that have not been amended by management. These are reported at Appendix 2. Individually and collectively these unadjusted errors are not material to my audit opinion.

A number of changes to the disclosure notes to the statements were made to either ensure the notes were consistent with the primary statements or complied with the Accounting Code. The adjustments were not significant and have all been made so I have not included these in Appendix 3.

Significant risks and my findings

I reported to you in my 2011/12 Audit Plan the significant risks that I identified as relevant to my audit of your financial statements. These arise from operational changes at the Council, changes in accounting requirements or general economic conditions. In Table 1 I report to you my findings against each of these risks.

Table 1: **Risks and findings**

Risk	Finding
<p>Financial spending pressures</p> <p>Whilst I have assessed the overall control environment at the Council as strong and the overall level of risk as low, the unprecedented level of savings required at the Council and across the public sector increases the risk of financial misreporting in the accounting statements.</p>	<p>I assessed the control environment of the Council. In particular I focussed my review on the management controls in place for those areas of the financial statements that are more susceptible to manipulation. This included:</p> <ul style="list-style-type: none"> ■ accounting estimates (asset valuations, depreciation, accruals and provisions); ■ change to accounting policies that impact the financial position; ■ journals; and ■ capital expenditure <p>I also considered the in-year performance of the Council against the year-end financial position to identify any unusual or unexpected transactions.</p> <p>My testing has not identified any significant issues to bring to your attention</p>
<p>Transfer of social care provision to a community interest company</p> <p>The transfer of the Council's social care provider to a community interest company is a significant restructuring which happened part way through the year. The Council undertook detailed due diligence but nevertheless the</p>	<p>I met officers responsible for the newly restructured client side and reviewed controls which included monthly contract performance monitoring which integrated performance and financial monitoring. I have substantively tested expenditure at the year end.</p>

Risk

change presented risks that expenditure may not be accounted for correctly.

Heritage assets

The 2011/12 accounts code requires the separate reporting of heritage assets for the first time.

Service organisation

From January 2011 cash collection and the banking of monies from Council car parks and leisure sites was contracted to Bristol City Council.

Finding

Based on my work arrangements and the accounting treatment are satisfactory.

I have met officers and discussed arrangements and controls for identifying heritage assets. I have substantively tested a sample of assets reported in the statements. I am satisfied that heritage assets are not materially miss-stated.

I have reviewed the contract and I have visited the cash office to review the operation of controls for cash collection and banking. I have substantively tested a sample of cash receipts reported in the statements. I am satisfied that cash receipts are not materially miss-stated.

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. As this is the final year of audit by the audit commission's audit practice I have adopted a largely substantive testing approach. 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.

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
- 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 report a number of specific matters in the following table.

Table 2: **Other matters**

Issue	Finding
Accounting policies To assist the reader of the statements the accounting policies should clearly set out the basis for including amounts and information in them.	The accounting policies do not include a de minimis level or minimum level for capitalising expenditure. Officers are considering adopting a policy for 2012/13.

Whole of Government Accounts

Alongside my work on the financial statements, I also review and report to the National Audit Office on your Whole of Government Accounts return. As at 11 September I have not completed the procedures specified by the National Audit Office. I expect to complete my report by 28 September.

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 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 addressing each of the risks I identified.

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

Table 3: **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>Arrangements to support delivery of the change programme and savings plans</p> <p>The Council faces considerable financial and organisational challenges, including the transfer of schools to foundation status, the ongoing rationalisation of offices, and severe financial pressures. In response the Council has an ambitious change programme that aims to achieve efficiencies and to release cost savings.</p>	<p>I have continued to review the Council's medium term financial strategy and its level of reserves. I met officers and reviewed on-going progress with the change programme. Savings are built into budgets and monitored during the year. Initial targets were substantially met which is reflected in the overall under spend against budget, although there were other pressures during the year for example around income levels.</p> <p>Based on my work for 2011/12 the Council had proper arrangements to secure financial resilience.</p>

Criteria**2. Securing economy efficiency and effectiveness**

The organisation has proper arrangements for challenging how it secures economy, efficiency and effectiveness.

Focus for 2011/12:

The organisation is prioritising its resources within tighter budgets, for example by achieving cost reductions and by improving efficiency and productivity.

Risk**Commissioning arrangements for social care**

Following the transfer of social care to a community interest company, the Council will need to develop its commissioning arrangements to ensure the ongoing delivery and development of services under the new contract arrangements.

Findings

A client team has been established which includes senior social workers. Arrangements have been established and documented to set out how commissioning will operate, for example commissioners chair groups such as the safeguarding and strategy meeting. A 'single panel' has been established to approve Council funding for all new cases (or clients) above a threshold.

Based on my work the Council has proper arrangements for challenging how it secures economy, efficiency and effectiveness.

Fees

I reported my planned audit fee in the 2011/12 Audit Plan.

I will complete the audit within the planned fee of £273,398.

The Audit Commission has paid a rebate of £21,872 to reflect attaining internal efficiency savings, reducing the net amount payable to the Audit Commission to £251,526.

Appendix 1 – Draft independent auditor’s report

INDEPENDENT AUDITOR’S REPORT TO THE MEMBERS OF BATH AND NORTH EAST SOMERSET COUNCIL

Opinion on the Authority’s financial statements

I have audited the financial statements of Bath and North East Somerset 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 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 Bath and North East Somerset 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 Divisional Director of Finance and auditor

As explained more fully in the Statement of the Divisional Director of Finance’s Responsibilities, the Divisional Director of Finance 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 Authority’s circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Divisional Director of Finance’s; 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 Bath and North East Somerset 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.

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 Bath and North East Somerset 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 Divisional Director of Finance and auditor

As explained more fully in the Statement of the Divisional Director of Finance's Responsibilities, the Divisional Director of Finance is responsible for the preparation of the Authority's Statement of Accounts, which includes 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 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 fund's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Divisional Director of 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 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 properly prepared in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom.

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.

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, Bath and North East Somerset Council put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2012.

W Rickard

District Auditor

Audit Commission
3-4 Benheim Court
Matford Business Park
Lustleigh Close
Exeter EX2 8PW

28 September 2012

Appendix 2 – Uncorrected errors

I identified the following errors during the audit which management have not addressed in the revised financial statements.

		Statement of comprehensive income and expenditure		Balance sheet	
Item of account	Nature of error	Dr £'000s	Cr £'000s	Dr £'000s	Cr £'000s
Debtors	A prepayment was not set up for an amount paid in March 2012 which related to 2012/13. The actual error was £3,312.		354 extrapolated	354 extrapolated	
Debtors	An amount of income received in April 2012 was identified relating to 2011/12 where no debtor had been set up. Actual error was £13,845.		705 extrapolated	705 extrapolated	
Planning services income	Income from Bath Tourism Plus has been classified as planning income in the consolidated income and expenditure account rather than culture and related services. This error arises from a change in disclosure requirements. Review of cost centres indicates this is a one off error. There is a contra amount of expenditure so there is no impact on the disclosures in the accounts.	236			
Culture and related services income			236		

Appendix 3 – Corrected errors

I identified the following errors during the audit which management have addressed in the revised financial statements.

		Statement of comprehensive income and expenditure		Movement in reserves statement	
Item of account	Nature of error	Dr £'000s	Cr £'000s	Dr £'000s	Cr £'000s
Actuarial costs	Losses not reported in consolidated income and expenditure account	13,953			13,953
Cost of services	The actual impairment arising in the year was less than the amount originally charged in the statements		4,135	4,135	

Appendix 4 – Draft letter of management representation

To: Wayne Rickard

District Auditor

Audit Commission

3-4 Benheim Court

Matford Business Park

Lustleigh Close

Exeter EX2 8PW

Bath and North East Somerset 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 Bath and North East Somerset 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. All representations cover the Council's accounts and Pension Fund accounts included within the financial statements.

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.

Uncorrected misstatements

The effects of uncorrected financial statements misstatements summarised in the attached schedule and uncorrected misstatements from previous year's are not material to the financial statements, either individually or in aggregate.

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.

Internal control

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

There are sufficient controls to ensure all material creditor payments relating to the year were initiated and included in the accounts.

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.

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 Bath and North East Somerset Council

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

Signed

Name

Position

Date

Appendix 5 – 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.

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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.

