

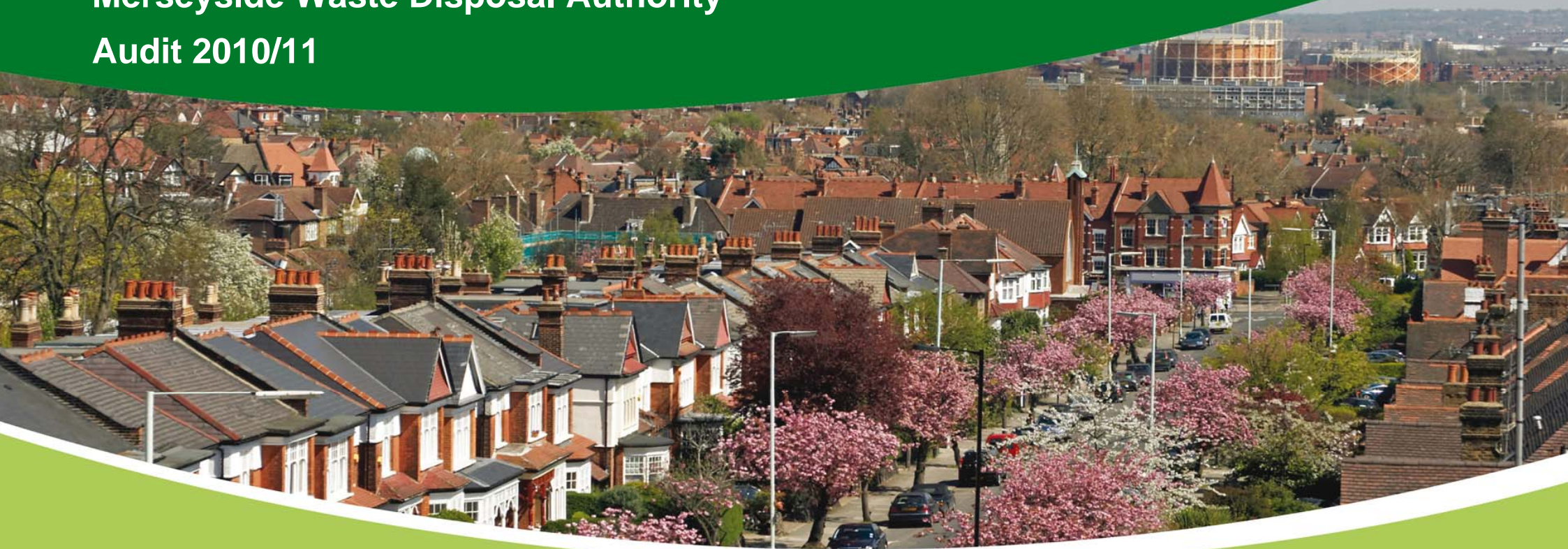
Annual governance report

Merseyside Waste Disposal Authority

Audit 2010/11

12

Appendix 1





Key messages	3
Audit opinion and financial statements.....	3
Value for money	3
Before I complete my audit	4
Financial statements	5
Opinion on the financial statements	5
Errors in the financial statements	5
Value for money	11
Appendix 1 – Draft audit report	13
Appendix 2 – Amendments to the draft financial statements	16
Appendix 3 – Unadjusted misstatements to the financial statements	19
Appendix 4 – Glossary	20

Traffic light explanation

Red  Amber  Green 

This report summarises the findings from the 2010/11 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.

	Our findings
Unqualified audit opinion	
Proper arrangements to secure value for money	

Audit opinion and financial statements

My audit is substantially complete and subject to satisfactory conclusion of outstanding matters I plan to issue an unqualified audit opinion on the 2010/11 financial statements following the Authority meeting on the 23rd September 2011.

This has been a challenging year for the finance team with the application of International Financial Reporting Standards (IFRS) for the first time and changes to key finance staff at the end of the period.

There were 2 material amendments to the accounts presented for audit. The accounts have also been subject to significant numbers of smaller adjustments to improve compliance with disclosure requirements, consistency between the statements and the supporting notes and other minor drafting issues.

- I have recommended that work needs to be done to improve the quality of the accounts submitted for audit and the underlying working papers for 2011/12.

Value for money

I plan to issue an unqualified conclusion confirming that the Authority has proper arrangements in place to secure economy, efficiency and effectiveness in its use of resources.

- Overall financial resilience is strong with a good level of reserves and a track record of delivering against budget. The letting of the Resource Recovery Contract (RRC) continues to make good progress and the expectation is that a final solution is still expected in 2015.
- Arrangements for delivering value for money remain strong and the Authority has continued to prioritise resources within tighter budgets whilst achieving cost reductions and improving efficiency and productivity. For example, through the continuing benefits from the waste management recycling contract (WMRC).

Before I complete my audit

I confirm to you my independence and the scope of my audit work

My report includes only matters of governance interest that have come to my attention in performing my audit. My audit is not designed 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. As the Treasurer to the Authority is a former employee of the Audit Commission there is a potential threat to our independence as there are employees of the Audit Commission who have maintained a personal relationship with him. I can confirm that I have applied appropriate safeguards to ensure that no-one in this position works in any capacity on the audit team. I have therefore reduced this threat to an acceptably low level to maintain my independence, objectivity and integrity.

Audit Fee

I will review the audit fee and report the final outcome in my Annual Audit Letter in December. I expect to charge some additional fee as a result of additional resources required to complete the audit.

The Audit Commission's Audit Practice has not undertaken any non-audit work for the Council during 2010/11.

I ask you to confirm to me that you have agreed the letter of representation and approved the financial statements

I ask the Authority to:

- take note of the adjustments to the financial statements which are set out in this report (Appendix 2);
- confirm your agreement not to amend the accounts for errors highlighted in Appendix 3;
- approve the letter of representation, provided alongside this report, on behalf of the Authority before I issue my opinion and conclusion.
- Agree your response to the one recommendation contained within the report.

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 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 of your financial statements is largely complete although there are some issues that remain to be resolved. Subject to satisfactory clearance of outstanding matters, I plan to issue an audit report including an unqualified opinion on the financial statements following the Authority meeting on 23rd September 2011. The main issues outstanding are:

- Completion of work on Group Accounts ;
- Assurance from the audit of the Merseyside Pension Fund;
- Resolution of amendments relating to the changes to the treatment of cash and debtors;
- Agree the reconciliation between the Movement in Reserves Statement and supporting notes;
- Final review of the amended accounts and certification of the whole of government accounts return by the deadline of 30th September 2011.

A copy of my draft opinion is provided as a separate document. .

Errors in the financial statements

Appendix 2 provides a detailed list of all non-trivial errors that have been corrected by management as a result of the audit. The most significant items are:

Treatment of cash and investments held by St Helens Council

MWDA does not have its own bank account and cash and investments are managed on its behalf by St Helens Council. In previous years these amounts have been excluded from the St Helens Balance sheet and shown as cash in the MWDA accounts. In consultation with St Helens Council and

as a result of the implementation of IFRS a decision was taken after completion of the financial statements to account for the amounts previously treated as cash as short term debtors. As a result an amendment of over £50m has been made between cash and short term debtors.

Adjustments to Property, Plant and Equipment

The balance brought forward in respect of property, plant and equipment from 2009-10 was incorrect and resulted in an overstatement of £1.940 m on the balance sheet.

A review of the depreciation charged in 2010-11 identified that incorrect asset lives had been applied to the assets following the 2009-10 revaluation. The application of the correct asset lives increased the depreciation charge for the year by £550k.

Related Party transactions

Note 36 has been amended to increase the amount of related party transactions with Halton Borough Council from £183k to £1.734m.

Unadjusted Differences in 2010-11

Movement in Reserves Statement

There is an inconsistency between the amount shown in the Movement in Reserves Statement which shows the General Fund as £12.946m and note 23 to the accounts that shows £15.216m. There also appear to be a number of inconsistencies between other lines within the MIRS and the associated notes 7 and 23..

Unadjusted differences reported in 2009-10

In our report to the Authority in September 2010 we identified £498,000 of grant payments included in debtors which had been paid. There was uncertainty over whether these amounts would be paid. The balances remained within the 2010/11 accounts presented for audit but we have seen no evidence to support whether this amount has been accounted for correctly.

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 Authority 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.

In planning my audit I identified specific risks and areas of judgement that I have considered as part of my audit.

Key audit risk and our findings

Key audit risk	Finding
<p>1. Transition to International Financial Reporting Standards (IFRS)</p> <p>The transition to IFRS is complex, requiring review of previous accounting disclosures and presenting a significant amount of new information in a new format. Failure to implement the requirements could lead to material misstatement in the financial statements.</p>	<p>The finance team prepared for the transition to IFRS in a timely manner and were proactive in discussing and resolving technical queries with my team. I was able to review the restatement of the 31 March 2009 balance sheet and the 2009-10 accounts during the early months of 2010. There are no matters that I need to bring to your attention.</p>
<p>2. Procurement of the new waste management contract</p> <p>The effective procurement of the resource recovery contract is critical to the long term financial resilience of the Authority. Given the size and scale of the contract and its technical complexity, any errors or gaps in the procurement process could expose the Authority to material risks.</p>	<p>The procurement process continues to make good progress. The Authority has put in place appropriate arrangements to manage risks and difficulties during the process. It has engaged appropriate technical and legal advice and support. 2011/12 will be a critical period in the final negotiations and the contract is likely to be let to the successful bidder in 2011/12 or 2012/13. I will continue to monitor, attend meetings and consider arrangements in place during 2011/12.</p>
<p>3. Service level agreement (SLA) with St Helens Council</p> <p>The Authority procures a significant number of services from</p>	<p>During 2010/11 MWDA have continued to negotiate a formal SLA with St Helens. This was signed by both parties during 2011. MWDA need to monitor and manage</p>

Key audit risk

St Helens Council including treasury management, internal audit, banking, ledger processing facilities and the services of the St Helens' valuer. There was no SLA in place during 2009/10 and in prior years to clearly define services and expectations.

Finding

the SLA to ensure that the contracted services are provided as agreed.

12

Appendix 1

4. Changes in key accounting personnel

The business support manager (finance) left in March 2011. He was responsible for the preparation of the financial statements. The timing of the departure, so close to year end but prior to the preparation of the financial statements, increased the risk of errors in the preparation of the financial statements.

As identified elsewhere in this report, the timing of the change in accounting personnel gave rise to difficulties during the audit process and a deterioration in the quality of accounts presented for audit. There were delays in providing some information for audit and weaknesses in some working papers which increased the time and cost of the audit process.

MWDA has recruited a new business support manager and he is confident that these issues can now be resolved for 2011/12.

Significant weaknesses in internal control

I have not identified any significant weaknesses in internal control.

Financial statements

Quality of your financial statements

I consider aspects of your accounting practices, accounting policies, accounting estimates and financial statements disclosures.

Accounting practices, policies, estimates and financial closures

Issue	Findings and recommendations
<p>1. Quality of the financial statements and closedown procedures</p>	<p>The timing of the departure of the business support manager in March 2011 had a detrimental impact on the quality of the financial statements presented for audit. These included a number of arithmetical errors and inconsistencies between the primary statements and the notes to the accounts. The group accounts were also reworked during the audit visit as the 2010/11 consolidation and the 2009/10 comparatives included errors and did not initially include all the IFRS adjustments. There were also some weaknesses in the quality of the working papers supporting the accounting entries, particularly debtors, creditors and property, plant and equipment.</p> <p>The new business support manager is confident that these issues can be resolved during 2011/12. Some of the errors identified in the 2010/11 financial statements would also be avoided if there was an additional review of the accounts, notes to the accounts and working papers to ensure consistency, completeness and arithmetical accuracy prior to submitting them for audit.</p>

Recommendation
<p>R1 Ensure that the 2011/12 Accounts are prepared ahead of the 30 June deadline to allow completion of a comprehensive quality assurance review before submission to audit.</p>

Financial statements

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.

The letter of representation is provided as a separate word document and is not included in this template.

Value for money

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

I assess your arrangements to secure economy, efficiency and effectiveness in your use of resources against two criteria specified by the Audit Commission. My conclusion on each of the two areas is set out below.

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

Value for money criteria and our findings

Criterion	Findings
<p>1. Financial resilience</p> <p>The organisation has proper arrangements in place to secure financial resilience.</p> <p>Focus for 2010/11:</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>At 31 March 2011 general fund balances totalled £15.212m, just over 25% of net expenditure. There is no correct level of balances. It is up to each organisation to determine its own level based on an assessment of the potential risks that could result in a call on those balances, and this could change from year to year. A significant factor in the long term financial resilience of the Authority is the letting of the Resource Recovery Contract (RRC). This is the largest local government procurement exercise on Merseyside and as such involves a high degree of risk.</p> <p>The procurement continues to make good progress and the expectation is that there will be a call for final tenders in December 2011 with delivery of a final solution expected in 2015. The project is a high value and complex contract and is therefore still subject to significant risk. The Authority has however put good arrangements in place to manage the risks including a member led scrutiny group and appropriate legal and specialist consultancy support.</p>

Like much of the public sector the council is facing significant financial pressures. The Council sets its annual budget in the context of a medium term financial plan (MTFP) which covers a three year period.

2. Securing economy efficiency and effectiveness

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

Focus for 2010/11:

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

A strategic approach to reducing costs and improving value for money is evident through the Authority's budget setting process. Overall arrangements for delivering value for money remain strong and the Authority has continued to prioritise resources within tighter budgets whilst achieving cost reductions and improving efficiency and productivity. For example, through the continuing benefits from the waste management recycling contract (WMRC).

During the year the Authority strengthened its approach to financial and performance management and monitoring. Expenditure is well managed across the Authority, with recognition that managing spending and securing a stable financial position is not simply a finance function but is an integral part of effective performance management.

Improvements can be seen during 2010-11 against key corporate plan objectives. The Authority has played a key role in improved performance in relation to recycling, diversion from landfill, reductions in residual waste arisings per household and improved productivity through reduced sickness absence.

Like most other public sector organisations the Authority faces significant financial challenges in 2011/12 and 2012/13. Whilst the Authority has a proven track record of maintaining spend within budget securing financial resilience in the future will be a major task. Continued close control and monitoring of spend is needed through the remainder of 2011/12 to minimise the risk of a budget overspend at year end.

Appendix 1 – Draft audit report

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MERSEYSIDE WASTE DISPOSAL AUTHORITY

Opinion on the Authority and Group accounting statements

I have audited the Authority and Group accounting statements of Merseyside Waste Disposal Authority for the year ended 31 March 2011 under the Audit Commission Act 1998. The Authority and Group accounting 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. These accounting statements have been prepared under the accounting policies set out in the Statement of Accounting Policies.

This report is made solely to the members of Merseyside Waste Disposal Authority 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 Treasurer and auditor

As explained more fully in the Statement of the Treasurer, the Treasurer is responsible for the preparation of the Authority and Group's Statement of Accounts in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom. My responsibility is to audit the accounting 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 accounting statements sufficient to give reasonable assurance that the accounting 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 Group's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Authority and Group; and the overall presentation of the accounting statements. I read all the information in the explanatory foreword to identify material inconsistencies with the audited accounting statements. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my report.

Opinion on accounting statements

In my opinion the accounting statements:

- give a true and fair view of the state of Merseyside Waste Disposal Authority's affairs as at 31 March 2011 and of its income and expenditure for the year then ended;
- give a true and fair view of the state of the Group's affairs as at 31 March 2011 and of its income and expenditure for the year then ended; 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 accounting statements are prepared is consistent with the accounting statements.

Matters on which I report by exception

I have nothing to report in respect of the governance statement on which I report to you if, in my opinion the governance statement does not reflect compliance with 'Delivering Good Governance in Local Government: a Framework' published by CIPFA/SOLACE in June 2007.

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

Authority's responsibilities

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.

Auditor's responsibilities

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.

Basis of conclusion

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 2010, 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 2011.

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 2010, I am satisfied that, in all significant respects, Merseyside Waste Disposal Authority put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ending 31 March 2011.

Certificate

I certify that I have completed the audit of the Authority and Group accounts of Merseyside Waste Disposal Authority in accordance with the requirements of the Audit Commission Act 1998 and the Code of Audit Practice issued by the Audit Commission.

Michael Thomas

Officer of the Audit Commission

Audit Commission Office, 3rd Floor, Millennium House, 60 Victoria Street, Liverpool L1 6LD

September 2011

Appendix 2 – Amendments to the draft financial statements

I identified the following misstatements during my audit and management have adjusted the financial statements. I bring them to your attention to aid you in fulfilling your governance responsibilities.

Adjusted misstatement	Nature of adjustment	Comprehensive income and expenditure statement (CIES)		Balance sheet	
		Dr £000s	Cr £000s	Dr £000s	Cr £000s
Balance sheet: cash and cash equivalents	Change of accounting treatment to account for all MWDA cash balances held by St Helens as a debtor balance.	-	-	Debtor 50,000	Creditor 50,000
Balance sheet: property plant and equipment (PPE)	2009/10 impairment adjustment had not been included in the 2010/11 accounts, overstating PPE	-	-	Capital Adjustment account 1,940	PPE 1,940
Balance sheet: depreciation of PPE	Changes in asset lives following 2009/10 revaluation had not been correctly applied to the fixed asset register, resulting in an understatement of depreciation in the 2010/11 accounts	Depreciation 550	-	-	Depreciation 550

		Comprehensive income and expenditure statement (CIES)		Balance sheet	
Balance sheet: NTDP grant debtors as raised in 2009/10	Write-off £100,000 grant debtor where payments were made in kind and no cash is receivable	Write-off of grant debtor 100			Debtor 100
Financial instruments note	Cash/debtor held by St Helens not included although it is a financial instrument				
Cashflow statement	Amendments to reflect the change in treatment of cash noted above				
Overstatement of debtors and creditors relating to prior year rolled forward.	Correction incorrectly applied now corrected.			Creditor 71	Debtor 71
CIES – Income shown in incorrect I and E line	Classification change	I and E Other Service Income 879	I & E Financing and Investment Income 879		
CIES - Cost of Services	LATS – usable reserves increased without corresponding reduction in revenue charge.		I and E 279		
Balance Sheet – Usable Reserves	Correction of duplicate journal			Capital Adj Account 1,307	Usable Reserves 1,307
Note 14 Financial Instruments	Inclusion of short term liabilities relating to finance leases and inclusion of long term borrowings Change from £20,473k to £25,139k	Note change			
Note 14a Financial Instruments	Inclusion of short term liabilities arising from finance leases and Merseyside residual debt. Change	Note Only			

**Comprehensive income and
expenditure statement (CIES)**

Balance sheet

	from £16,252k to £16,344k.			
Note 36 Related Party Transactions	Increase in amount shown in respect of Halton Borough Council from £183k to £1,734k	Note Only		
Usable Reserves –General Fund	Difference of £20k between Balance Sheet Reserves and the Movement in Reserves Statement.			
Accounting Policies	Omission of accounting policies for cash and cash equivalents and investment properties in original version of the statements.			
Addition / Consistency/ Typographical errors	17 other changes have been made to rectify addition errors, typographical amendments, and consistency issues between the various statements and notes.			

Appendix 3 – Unadjusted misstatements to the financial statements

I identified the following misstatements during my audit but management has not adjusted the financial statements. I bring them to your attention to help you in fulfilling your governance responsibilities and ask you to correct these misstatements.

If you decide not to amend, please tell me why in the representation letter. If you believe the effect of the uncorrected errors, individually and collectively, is immaterial, please reflect this in the representation letter. Please attach a schedule of the uncorrected errors to the representation letter.

Unadjusted misstatement	Nature of required adjustment	Comprehensive income and expenditure statement		Balance sheet	
		Dr £000s	Cr £000s	Dr £000s	Cr £000s
Reserves classification and analysis	Review the consistency between the MIRS and the notes to the accounts and reconcile the differences.				
Long Term Debtors – omission of accrued interest	Inclusion of accrued loan interest. Immaterial amount.			Long Term Debtors 238	Long Term Borrowing 238

Appendix 4 – Glossary

Annual governance statement

A statement of internal control prepared by an audited body and published with the financial statements.

Audit closure certificate

A certificate that I have completed the audit following statutory requirements. This marks the point when I have completed my responsibilities for the audit of the period covered by the financial statements.

Audit opinion

On completion of the audit of the financial statements, I must give my opinion on the financial statements, including:

- whether they give a true and fair view of the financial position of the audited body and its spending and income for the year in question; and
- whether they have been prepared properly, following the relevant accounting rules.

Opinion

If I agree that the financial statements give a true and fair view, I issue an unqualified opinion. I issue a qualified opinion if:

- I find the statements do not give a true and fair view; or
- I cannot confirm that the statements give a true and fair view.

Materiality and significance

The Auditing Practices Board (APB) defines this concept as ‘an expression of the relative significance or importance of a particular matter for the financial statements as a whole. A matter is material if its omission would reasonably influence users of the financial statements, such as the addressees of the auditor’s report; also a misstatement is material if it would have a similar influence. Materiality may also be considered for any

individual primary statement within the financial statements or of individual items included in them. We cannot define materiality mathematically, as it has both numerical and non-numerical 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’ applies to these wider responsibilities and auditors adopt a level of significance that may differ from the materiality level applied to their audit in relation to the financial statements. Significance has both qualitative and quantitative aspects.

Weaknesses in internal control

A weakness in internal control exists when:

- a control is designed, set up or used in such a way that it is unable to prevent, or detect and correct, misstatements in the financial statements quickly; or
- a control necessary to prevent, or detect and correct, misstatements in the financial statements quickly is missing.

An important weakness in internal control is a weakness, or a combination of weaknesses that, in my professional judgement, are important enough that I should report them to you.

Value for money conclusion

The auditor’s conclusion on whether the audited body has put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources based on criteria specified by the Audit Commission.

The Code of Audit Practice defines proper arrangements as corporate performance management and financial management arrangements that form a key part of the system of internal control. These comprise the arrangements for:

- planning finances effectively to deliver strategic priorities and secure sound financial health;
- having a sound understanding of costs and performance and achieving efficiencies in activities;
- reliable and timely financial reporting that meets the needs of internal users, stakeholders and local people;
- commissioning and buying quality services and supplies that are tailored to local needs and deliver sustainable outcomes and value for money;
- producing relevant and reliable data and information to support decision making and manage performance;
- promoting and displaying the principles and values of good governance;
- managing risks and maintaining a sound system of internal control;
- making effective use of natural resources;
- managing assets effectively to help deliver strategic priorities and service needs; and
- planning, organising and developing the workforce effectively to support the achievement of strategic priorities.

If I find that the audited body had adequate arrangements, I issue an unqualified conclusion. If I find that it did not, I issue a qualified conclusion.

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

© Audit Commission 2011.

Design and production by the Audit Commission Publishing Team.

Image copyright © Audit Commission.

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.

