

AUDITORS REPORT - FINAL ACCOUNTS 2010/11
(Report by the Head of Financial Services)

1. INTRODUCTION

- 1.1 At the end of each audit the external auditor issues an ISA260 report for the panel to consider. It ensures that the Panel are made aware of any concerns the auditors have, provides their view on “economy, efficiency and effectiveness” and explains any “uncorrected misstatements”.

2 AUDIT REPORT ON THE 2010/11 ACCOUNTS

- 2.1 A separate report on your agenda deals with the lessons learnt from the delayed approval of the 2010/11 accounts. These accounts were approved by the auditor on the 13 July 2012 and at that time members received a copy of the accounts and a copy of the ISA 260 report (copy at Annex A). The Panel now have the opportunity to consider any items in the ISA 260 report that are not dealt with elsewhere.

2.2 Items Resolved (pages 10 to 17)

Whilst there are a significant number of items referred to, the important point is that they were identified and corrected during the course of the audit thus providing a set of accounts that form a sound, IFRS compliant, base for the 2011/12 accounts. The provision for bad debts has been thoroughly reviewed for the 2011/12 accounts.

2.3 Economy, efficiency and effectiveness (page 18 and 19)

The auditors record their concern at the delay in the accounts but are otherwise ***satisfied that, in all significant respects, Huntingdonshire District Council put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ending 31 March 2011.***

2.4 Uncorrected misstatements (page 21)

There are two items:

- The auditors identified expenditure of £5k that related to 2010/11 but had not been paid by the year end and had not been included (accrued) in the accounts as due. **IF** this were a recurrent error it might proportionately increase to £281k. Auditors typically report items of this nature in this way but do not expect the Council to make any adjustment. If they had serious concerns they would extend their sample testing which might then identify a sum that was material and so require adjustment.
- An capital adjustment of £92k (between balance sheet items) was made in 2010/11 rather than in the IFRS restatement of the accounts for 1 April 2009. The sum is not material and the position at 31 March 2011 is correct.

4 RECOMMENDATIONS

4.1 It is recommended that the Panel receive the ISA 260 report for 2010/11.

ACCESS TO INFORMATION ACT 1985

Final Accounts and Working Papers held in the Accountancy Section

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