

Staffordshire and Stoke-on-Trent Joint Archives Committee

2009/10 Report to those charged with
governance

November 2010

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Code of Audit Practice and Statement of Responsibilities of Auditors and of Audited Bodies

The 'Statement of responsibilities of auditors and of audited bodies' issued by the Audit Commission in April 2008 applies to our 2009/10 audit of Staffordshire and Stoke-on-Trent Joint Archives Committee under the Code of Audit Practice for Local Government Bodies issued by the Audit Commission in July 2008. A copy of the statement is available from Staffordshire and Stoke-on-Trent Joint Archives Committee. The purpose of the statement is to assist auditors and audited bodies by explaining where the responsibilities of auditors begin and end and what is expected of the audited body in certain areas. Our reports and letters are prepared in the context of this Statement and the Code of Audit Practice. Reports and letters prepared by appointed auditors and addressed to members or officers are prepared for the sole use of the audited body and no responsibility is taken by auditors to any member or officer in their individual capacity or to any third party.

Executive Summary

The purpose of this report

The purpose of this report (in accordance with the Audit Commission's Code of Audit Practice and International Standard on Auditing (UK & Ireland) 260) is to summarise the results of our 2009/10 audit of the Staffordshire and Stoke-on-Trent Joint Archives Committee (the Committee). It sets out:

- those matters arising from our audit of the financial statements; and
- our audit fee.

Our work during the year was performed in line with the scope agreed by the Director of Finance of Staffordshire County Council on behalf of the Committee.

Financial Statements

We anticipate issuing an unqualified audit opinion on the financial statements.

There are no unadjusted misstatements for us to bring to the attention of the Joint Committee.

The draft financial statements (which were presented to the Joint Committee on 17th June 2010) and the supporting working papers were found not to be of an adequate standard. The finance team of Staffordshire County Council therefore agreed to revisit both the accounts and the working papers. We are pleased to report that our audit of the revised draft of the financial statements (provided to us on 3 September 2010) did not identify any errors which required amendment.

We would like to thank the finance teams of both Staffordshire County Council and Stoke-on-Trent City Council for their help and assistance provided to us during the course of our audit.

Financial statements

Accounts

We have completed the audit of the Joint Committee's accounts in line with the Code of Audit Practice and International Standards on Auditing (UK & Ireland).

The draft management representation letter is presented as a separate paper at this meeting.

We anticipate issuing an unqualified audit opinion on the financial statements.

Accounting Issues

We are required to report to you all unadjusted misstatements, which we have identified during the course of our audit. We are pleased to report that there are no unadjusted misstatements for us to bring to the attention of members of the Committee.

Systems of internal control

We are required to report to you any material weaknesses in the accounting and internal control systems identified during the audit. We are pleased to confirm (except for the comments made below regarding year end accounting practices) that we have not identified any material control weaknesses during the course of our work.

Accounting practices

We are also required to report to you our view on qualitative aspects of the Committee's accounting practices and financial reporting.

We initially began, as planned, our audit procedures in the week beginning 16 August 2010. Upon reviewing the draft financial statements (which were presented to the Joint Committee on 17th June 2010) and the supporting working papers we concluded that these were not of an adequate standard.

The finance team of Staffordshire County Council therefore agreed to revisit both the financial statements and the associated working papers. We received the revised financial statements on 3 September 2010. These statements were of a good standard and reconciled to the associated working papers.

The table below outlines the movements between the initial set of accounts approved by the Committee on 17 June 2010 and the final version subject to audit which we received on 3 September 2010.

Area within the financial statements	Draft Accounts presented to the Joint Committee on 17 th June 2010		Draft Accounts subject to audit procedures (received on 3 September 2010)		Difference	
	2008/09 £000	2009/10 £000	2008/09 £000	2009/10 £000	2008/09 £000	2009/10 £000
Total expenditure	1,074	1,112	1,073	1,122	(1)	10
Total income	(1,081)	(1,111)	(1,099)	(1,111)	(18)	0
(Surplus) / deficit	(7)	1	(26)	11	(19)	10
Assets	313	324	217	216	(96)	(108)
Liabilities	111	123	15	25	(96)	(98)
Net assets	202	201	202	191	0	(10)

We are pleased to report that our audit of the revised financial statements did not identify any errors which required amendment.

We recommend that in future years measures are put in place to ensure that both the draft accounts and the supporting working papers provided to audit are of an adequate standard, and that there is a clear audit trail between all financial balances and transactions to the supporting financial ledgers of both partner organisations.

Annual Governance Statement

Local Authorities are required to produce an Annual Governance Statement (AGS), which is consistent with guidance issued by CIPFA / SOLACE: 'Delivering Good Governance in Local Government'. The AGS was included in the financial statements.

We reviewed the AGS to consider whether it complied with the CIPFA / SOLACE 'Delivering Good Governance in Local Government' framework and whether it is misleading or inconsistent with other information known to us from our audit work. We found no areas of concern to report in this context.

Audit fee update

Audit fees update for 2009/10

Our fees are set out in the table below. Due to the aforementioned difficulties encountered during the audit, our audit fee has increased to reflect the additional work required.

	Outturn Fee	Fee per Letter of Appointment
Financial Statements (planned scope)	£9,300.00	£9,300.00
Additional audit work	£2,753.50	Not applicable
Total audit fee	£12,053.50	£9,300.00

In the event that, pursuant to a request which you have received under the Freedom of Information Act 2000 (as the same may be amended or re-enacted from time to time) or any subordinate legislation made thereunder (collectively, the "Legislation"), you are required to disclose any information contained in this report, we ask that you notify us promptly and consult with us prior to disclosing such information. You agree to pay due regard to any representations which we may make in connection with such disclosure and to apply any relevant exemptions which may exist under the Legislation to such information. If, following consultation with us, you disclose any such information, please ensure that any disclaimer which we have included or may subsequently wish to include in the information is reproduced in full in any copies disclosed.

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