

Exmoor National Park Authority

International Standards of Auditing (ISA) 260: Report to those Charged with  
Governance

**Last updated 18 September 2007**

Our Ref BM/JM/ns

Your Ref -

The Resources Committee,  
Exmoor National Park Authority,  
Exmoor House,  
Dulverton,  
Somerset, TA22 9HL

18 September 2007

Dear Sirs

**EXMOOR NATIONAL PARK AUTHORITY - INTERNATIONAL STANDARDS OF AUDITING (ISA) 260:  
REPORT TO THOSE CHARGED WITH GOVERNANCE**

This International Standards of Auditing (ISA) 260: Report to those Charged with Governance has been prepared in order to record the key matters arising from our audit. We have discussed our report with Mr Charles Burrows who confirm its factual accuracy, although the views expressed are those of Grant Thornton. The purpose of the document is further detailed in Section 1.

We would like to take this opportunity to thank Mr Burrows and other staff for the co-operation and assistance afforded to us during the course of our audit.

Yours faithfully

Grant Thornton UK LLP

**Contents**

1	Executive Summary
2	Accounts Opinion
3	VFM Conclusion

**Page**

1
4
7

**Appendices**

A	Statement of Responsibilities - Accounts
B	Statement of Responsibilities - VFM / Use of Resources
C	Action Plan - Accounts
D	Accounts Adjustments Agreed
E	Accounts Adjustments not Processed by Management
F	Reports Issued
G	Audit Fee Update

# 1 Executive Summary

## 1.1 Background and purpose of the report

Exmoor National Park Authority (the Authority) is responsible for the preparation of accounts which record its financial position as at 31 March 2007 and its income and expenditure for the year then ended. We are responsible for undertaking an audit and reporting whether, in our opinion, the Authority's accounts 'present fairly' the financial position of the Authority. Our detailed findings are set out in section two.

Under the Audit Commission's Code of Audit Practice we are also required to reach a conclusion on whether the Authority has put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources ('VFM conclusion'). The pieces of work that have informed our VFM conclusion, and our detailed findings, are set out in section three.

The Audit Commission's Statement of Responsibilities, which sets out the respective responsibilities of the Authority and the auditor in relation to the accounts and arrangements for securing economy, efficiency and effectiveness in the use of resources, have been re-produced in full in Appendices A and B and reflect the scope of our audit.

This report summarises the principal matters arising from our audit. The issues raised have been discussed with the Chief Finance Officer and his team and other officers as appropriate. Auditing standards require us, as the Authority's external auditors, to report to those charged with governance certain matters before giving an opinion on the accounts and the Code of Audit Practice requires us to report key matters relating to our VFM conclusion. For the Authority, this function will be carried out by the Resources Committee at its meeting on 25 September 2007.

## 1.2 The accounts opinion – current status and key issues

We have performed our audit of the 2006/07 accounts in accordance with the Audit Commission's Code of Audit Practice and applicable auditing standards. Our approach follows that set out in the Audit and Inspection Plan 2006/07, agreed with the Authority.

We have still to complete our audit finalisation procedures which include:

- review of the final version of the statement of accounts;
- receipt and review of the Authority's letter of representation; and
- updating our Post Balance Sheet Events review to the date of signing the accounts.

Subject to satisfactory resolution of the above issues, we expect to issue an **unqualified opinion on the Authority's accounts** by the 30 September deadline.

The audit fieldwork was completed to schedule, with no disruption caused by the departure of the finance manager during the audit.

There are a small number of recommendations arising from our audit, which can be found in the Action Plan at Appendix C. The key issues to report to those charged with governance are set out below.

### *Accounts adjustments*

The 2006 Local Authority Statement of Recommended Practice (SoRP) required local authorities to make extensive changes in the core financial statements, reflecting the trend to make public sector accounts more comparable to UK Generally Accepted Accounting Practice (UK GAAP). Some of these changes were presentational, whilst others required adjustments to the comparative figures for the 2005/06 accounts. Specifically, the requirement to make a capital financing charge has been removed and the Asset Management Revenue Account has been removed. More significantly, the Consolidated Revenue Account and Statement of Total Movement on Reserves has been replaced with an Income and Expenditure Account (I&E), Statement of Movement on the General Fund Balance (SMGFB) and Statement of Total Recognised Gains and Losses (STRGL). The Authority has correctly prepared these new primary statements and as a consequence, was required to restate the 2005-06 comparative figures from those previously published in the 2005-06 Statement of Accounts.

Financial Reporting Standard 17 details requirements for disclosure of pension-related information in the Statement of Accounts. Our identified a small number of amendments required in the Authority's accounts in respect of its FRS17 entries. The disclosure entries specified in FRS 17 required amending. These had no effect of the net surplus reported.

A small number of other presentational amendments were required as a result of the audit. Management has agreed to process all, except one, of the significant accounts adjustments identified.

### 1.3 The VFM conclusion – current status and key issues

We have substantially completed our work on the Authority's arrangements for achieving economy, efficiency and effectiveness in its use of resources.

At the date of writing this report, the only matter still outstanding relating to the Use of Resources conclusion is the completion of our review to update our 2006/07 data quality management arrangements work.

Subject to satisfactory completion of the above work, we expect to issue an **'except for' VFM conclusion** by the 30 September deadline in respect of the Authority's arrangements for managing its asset base.

There are no other significant issues we wish to draw to Members' attention. Key messages can be found in Section 3.

### 1.4 Use of this report

This report has been prepared solely for use by the Authority to discharge our responsibilities under the Audit Commission Code of Audit Practice and relevant auditing standards. This report should not be used for any other purpose or copied to third parties without our written consent. No responsibility is assumed by us to any other person. This report should be read in conjunction with the Authority's draft letter of representation.

This report includes only those matters that have come to our attention as a result of performance of the audit. An audit of the accounts and use of resources is not designed to identify all

matters that may be relevant to those charged with governance. Accordingly the audit does not ordinarily identify all such matters.

We would like to take this opportunity to remind the Resources Committee of the need to monitor implementation of the recommendations arising out of this report (see Appendix C) and other reports issued during the year (see Appendix F).

### 1.5 Independence

We are able to confirm our independence and objectivity as auditors and note the following:

- we are independently appointed by the Audit Commission
- the firm has been assessed by the Audit Commission as complying with its required quality standards
- the appointed auditor and client service manager are subject to rotation periodically
- we comply with the Auditing Practices Board's Ethical Standards. We have not undertaken any non-audit work for the Authority (Appendix G)

### 1.6 Acknowledgments

We would like to record our appreciation for the co-operation and assistance provided to us by the Authority's management, officers and members during the course of our audit.

## 2 Accounts Opinion

### 2.1 Introduction

We summarise in this section matters arising from our audit of the Authority's 2006/07 accounts which we are required, under auditing standards, to report to those charged with governance.

### 2.2 Approach to the Audit

Our approach to the audit was set out in our 2006/07 audit plan. We have planned our audit in accordance with auditing standards and the Audit Commission's Code of Audit Practice. Other key factors to highlight include:

- we consider the materiality of items in the accounts both in determining the audit approach and in determining the impact of any errors
- we have been able to place appropriate reliance on the key accounting systems operating at the Authority for final accounts audit purposes.
- in 2006/07, we have been able to place reliance on the work of internal audit in respect of the key accounting systems
- no significant changes have been made to our audit approach in the year.

### 2.3 Key audit findings

We summarise our key audit findings below:

#### *Accounting policies and practices*

We consider that the Authority has followed appropriate accounting policies in the areas covered by our testing. Accounting policies adopted are in accordance with the 2006 Local Authority Statement of Recommended Practice (SoRP).

There were two key areas in which the draft accounts did not, in our view, comply with the 2006 SoRP. These are set out below.

#### **Statement of Total Recognised Gains and Losses (STRGL)**

The Income and Expenditure Account brings together all of the functions of the Authority and summarises all of the resources that the Authority has generated, consumed or set aside in providing services during the year. However, there are, other gains and losses in the Balance Sheet that are not debited or credited to the Income and Expenditure Account. The STRGL brings these other gains and losses together with the outturn on the income and expenditure account to show the total movement in the Authority's net worth for the year. The SoRP provides a line

within the STRGL for “any other gains and losses”, but in the notes for guidance, CIPFA does not expect significant use of this disclosure.

The draft accounts presented for audit reported a balance of £(168,491) and £33,083 in this line for 2006-07 and 2005-06 respectively. In order to assist the Authority in addressing this issue, we worked with the Chief Finance Officer to identify the cause of this issue. Our audit work has identified that this related to the movement on the government grants deferred account which was reported in the top half of the balance sheet. In line with the suggested guidance notes to the SoRP, we recommended that this account be shown in the bottom half of the balance sheet, to bring the STRGL into balance.

#### **FRS17 pensions disclosures**

We have reviewed the accounting entries processed by the Authority to reflect the movements in the Local Government Pension Scheme (LGPS) net liability, administered by Somerset County Council. Our audit work identified that a number of the required journal entries, were not processed in accordance with the requirements of the Financial Reporting Standard (FRS) 17. The Authority should amend its accounts to show the current service cost, per its actuarial valuation of £320,000, as a charge to net costs of services. In addition, the past service costs and curtailments totalling £68,000 should be recorded as a non - distributable cost under net cost of services. At present, these entries are netted off within the interest costs and expected return on assets line in the income and expenditure account.

We are satisfied that the relevant financial information disclosed in the Explanatory Foreword is consistent with the accounts. However, we consider that additional wording, to explain the changes required by 2006 SORP and the impact of these changes, should be moved to the Explanatory Foreword.

#### ***Material risks and exposures***

The Authority is required to confirm in its letter of representation that it has no material risks and exposures, to date, which should be reflected in the accounts.

Our audit procedures have not identified any significant risks and exposures to the Authority, to date, which should be reflected in the accounts. This review will be updated on the date the Authority signs the final letter of representation and we sign our audit opinion.

#### ***Audit adjustments***

We recommended two significant adjustments to the accounts, none of which affected the reported surplus.

We also recommended a number of presentational adjustments, being mainly to improve clarity of disclosure in the accounts.

#### ***Unadjusted errors***

Management agreed to process all, except one, of the significant proposed adjustments. Details of the adjustments that management agreed to make are set out in Appendix D.

## Exmoor National Park Authority

Details of the unadjusted errors are set out in Appendix E. The Resources Committee should confirm that it is prepared to accept the unadjusted errors.

### Other matters

The overall quality of the Authority's working papers to support the 2006/07 accounts was adequate. Following completion of the audit, we will undertake a review of the audit process with the Authority with a view to improve the flow of information to strengthen arrangements further.

The Authority did not adopt the draft accounts until 3 July 2007. This was not in line with the statutory requirements, which require Authorities to approve its accounts by 30 June each year. We understand that this delay was due to the appointment of its parish members to the committee. We were presented with draft accounts on 5 July 2007, following their adoption.

The appointed day for electors to ask the auditor questions on the accounts this year was 6 September 2007. We received no questions or objections from the public in relation to the accounts.

Having considered the Authority's medium term financial strategy and 2007/08 budgets it is appropriate for the Authority to account on a going concern basis.

We have not identified any matters, that we have not already reported, that require the attention of the Resources Committee.

## International Standards Of Auditing (ISA) 260: Report To Those Charged With Governance

We have discussed these and other matters arising with the Chief Finance Officer and his team and have reflected their responses to the matters raised in the Action Plan attached at Appendix C.

### Next Steps

We will continue to work with the Authority to ensure that outstanding finalisation issues are completed in time for the accounts opinion to be formally signed in accordance with the statutory deadline of 30 September 2007.

Subject to satisfactory resolution of the above issues, we expect to issue an **unqualified opinion on the Authority's accounts**.

We are required to provide an audit opinion on the consolidation pack that is to be completed as part of Whole of Government Accounts. This work is not covered by our opinion on the Authority's accounts. We will complete this work once the accounts audit has been finalised and in time for the 1 October 2007 deadline.

## 3 VFM Conclusion

### 3.1 Background

The Code of Audit Practice requires us to reach a conclusion on whether the Authority has proper arrangements in place for securing economy, efficiency and effectiveness in the use of its resources ('VFM conclusion'). Our conclusion is supported by an assessment of arrangements against twelve criteria specified in the Code of Audit Practice ('Code criteria').

The use of resources conclusion was first introduced in 2005/06 and provides a formal assessment of how the Authority manages and uses its financial resources. The following pieces of work have informed our assessment against the Code criteria:

- a refresh of our 2005/06 assessment, taking into account the outcomes of the Authority's national park performance assessment and its progress in delivering the actions set out in its improvement plan arising from this review;
- assessment of the Authority's data quality management arrangements, using criteria prescribed by the Audit Commission;
- statutory audit of the Authority's 2006/07 Best Value Performance Plan (BVPP); and
- our cumulative knowledge of the Authority, as updated during the year.

The Use of Resources conclusion for local government bodies comprises an assessment of arrangements for twelve criteria, identified in the Audit Commission's new Code of Practice. For National Park Authorities, the same criteria are relevant. However, in recognition of the relatively small scale of the functions carried out, the range of evidence that is required, to give the assessment, is reduced. For an unqualified 'use of resources' conclusion to be provided, the Authority needs to achieve the minimum standards for each of the criteria

Our conclusions for each of the twelve Code criteria are set out in Table 1:

**Table 1 – Use of resources conclusions**

No.	Code criteria – arrangements required	Arrangements adequate?
1	Setting, reviewing and implementing strategic and operational objectives	Yes
2	Communication with service users and other stakeholders including partners, and monitoring arrangements to ensure that key messages about services are taken into account	Yes
3	Monitoring and scrutiny of performance, to identify potential variances against strategic objectives, standards and targets, for taking action where necessary, and reporting to members	Yes
4	Monitoring the quality of published performance information, and reporting the results to members	Yes
5	Maintaining a sound system of internal control	Yes
6	Managing significant business risks objectives	Yes
7	Managing and improving value for money	Yes
8	Maintaining a medium-term financial strategy, budgets and a capital programme that are soundly based and designed to deliver strategic priorities	Yes
9	Ensuring that spending matches available resources	Yes
10	Managing performance against budgets	Yes
11	Managing the asset base	No
12	Promoting and ensuring probity and propriety in the conduct of business	Yes

A summary of our audit work, relating to the above Code criteria, is set out below.

### **3.2 Key messages from our assessment**

We have undertaken a refresh of our initial use of resources assessment, as reported in 2005-06 to confirm whether adequate arrangements have continued to operate throughout the period to 31 March 2007. This review has focussed on assessing the Authority's overall direction of travel, in delivering the actions set out in its improvement plan, produced as a result of the 2005/06 NPA Performance Assessment.

Overall the Authority has made good progress in delivering these improvements during the year, these include:

- the adoption by the Authority of a revised National Park Management Plan 2007-2012 in April 2007 following an extensive consultation;
- the adoption of a medium term financial plan 2007-2012;
- the approval of a risk management strategy and risk register, including the development of a formal business continuity plan; and
- the delivery of a number of value for money reviews, including the national park centres and the Authority's staffing complement. A review is also in process on Asset Management.

Our use of resources conclusion for 2005-06 was qualified, with respect to the Authority's arrangements for managing its asset base. Our view was that, due to the extensive list of land and property owned by the Authority, that they should develop an

estates and property strategy and management plan, following the conclusion of its VFM review of asset management.

Whilst the Authority's National Park Management Plan goes a considerable way to identify those key priorities that it needs to deliver in respect of its asset portfolio. However, this plan was not adopted until April 2007, which is outside the financial period to which our performance assessment and audit opinion covers. The Authority should be able to demonstrate how it has considered and responded to the outcomes of the asset management review, for this code criteria to be achieved in the future.

### **3.3 Data Quality Audit Work**

The audit work that we have used to reach our conclusion in respect of Code criteria 4 is our 2006 audit of the Authority's corporate management arrangements for data quality. A shortened, more proportionate review has been applied for national park authorities, based on the Audit Commission's assessment for smaller bodies.

Our audit concluded that the Authority's management arrangements for data quality are adequate.

We have recently commenced our 2007 review of data quality management arrangements, which follows a similar approach to last year's review. This review is ongoing, however our initial conclusions are satisfactory which supports our conclusion that the Authority's arrangements are adequate for Code criteria 4.

### 3.4 Next Steps

We will continue to work with the Authority to ensure that outstanding work is completed in time for the Use of Resources conclusion to be formally signed in accordance with the statutory deadline of 30 September 2007.

Subject to satisfactory completion of the above work, we expect to issue an **'except for' VFM conclusion** in respect of the Authority's arrangements for managing its asset base.

The Resources Committee should monitor implementation of use of resources recommendations arising from this and other reports issued during the year.

## A Statement of Responsibilities - Accounts

The accounts, which comprise the published accounts of the audited body, are an essential means by which it accounts for its stewardship of the resources at its disposal and its financial performance in the use of those resources.

It is the responsibility of the audited body to:

- put in place systems of internal control to ensure the regularity and lawfulness of transactions
- maintain proper accounting records
- prepare accounts that present fairly the financial position of the body and its expenditure and income.

The audited body is also responsible for preparing and publishing with its accounts a statement on internal control.

Auditors audit the accounts and give their opinion, including:

- whether they present fairly the financial position of the audited body and its expenditure and income for the year in question

- whether they have been prepared properly in accordance with relevant legislation and applicable accounting standards

Subject to the concept of materiality, auditors provide reasonable assurance that the accounts:

- are free from material misstatement, whether caused by fraud or other irregularity or error
- comply with statutory and other applicable requirements
- comply with all relevant requirements for accounting presentation and disclosure.

Auditors examine selected transactions and balances on a test basis and assess the significant estimates and judgements made by the audited body in preparing the statements.

Auditors evaluate significant financial systems, and the associated internal financial controls, for the purpose of giving their opinion on the accounts. Where auditors identify any weaknesses in such systems and controls, they will draw them to the attention of the audited body, but they cannot be expected to identify all weaknesses that may exist.

## APPENDIX A

Auditors review whether the statement on internal control has been presented in accordance with relevant requirements and report if it does not meet these requirements or if it is misleading or inconsistent with other information of which the auditor is aware. In doing so auditors take into account the knowledge of the audited body gained through their work in relation to the audit of the accounts and through their work in relation to the body's arrangements for securing economy, efficiency and effectiveness in the use of its resources. Auditors are not required to consider whether the statement on internal control covers all risks and controls, nor are auditors required to form an opinion on the effectiveness of the audited body's corporate governance procedures or risk and control procedures.

## B Statement of Responsibilities - VFM / Use of Resources

It is the responsibility of the audited body to put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources, and to ensure proper stewardship and governance, and regularly to review the adequacy and effectiveness of them. Such corporate performance management and financial management arrangements form a key part of the system of internal control and comprise the arrangements for:

- establishing strategic and operational objectives
- determining policy and making decisions
- ensuring that services meet the needs of users and taxpayers and for engaging with the wider community
- ensuring compliance with established policies, procedures, laws and regulations
- identifying, evaluating and managing operational and financial risks and opportunities, including those arising from involvement in partnerships and joint working
- ensuring compliance with the general duty of best value, where applicable
- managing its financial and other resources, including arrangements to safeguard the financial standing of the audited body
- monitoring and reviewing performance, including arrangements to ensure data quality
- ensuring that the audited body's affairs are managed in accordance with proper standards of financial conduct, and to prevent and detect fraud and corruption

The audited body is responsible for reporting on these arrangements as part of its annual statement on internal control.

Auditors have a responsibility to satisfy themselves that the audited body has put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources. In meeting this responsibility auditors should review and, where appropriate, examine evidence that is relevant to the audited body's corporate performance management and financial management arrangements, as summarised above, and report on these arrangements. Auditors of specified local government bodies (best value authorities) also have a responsibility to consider, and report on, the audited body's compliance with statutory requirements in respect of the preparation and publication of its best value performance plan.

Auditors are responsible for reporting annually their conclusion, having regard to relevant criteria specified by the Audit Commission, as to whether the audited body has put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources. Auditors report if significant matters have come to their attention that prevent them from concluding that the audited body has put in place proper arrangements. However, auditors are not required to consider whether aspects of the audited body's arrangements for

securing economy, efficiency and effectiveness in its use of resources are effective.

In planning their audit work in relation to the arrangements for securing economy, efficiency and effectiveness in the use of resources, auditors consider and assess the relevant significant business risks. These are the significant operational and financial risks to the achievement of the audited body's statutory functions and objectives, which apply to the audited body and are relevant to auditors' responsibilities under the Code, and the arrangements it has put in place to manage these risks. The auditor's assessment of what is significant is a matter of professional judgement and includes consideration of both the quantitative and qualitative aspects of the item or subject matter in question. Auditors discuss their assessment of risk with the audited body.

When assessing risk auditors consider:

- the relevance and significance of the potential business risks faced by all bodies of a particular type
- other risks that apply specifically to individual audited bodies
- the audited body's own assessment of the risks it faces
- the arrangements put in place by the body to manage and address its risks.

In assessing risks auditors have regard to:

- evidence gained from previous audit work, including the response of the audited body to previous audit work

- the results of assessments of performance carried out by the Commission
- the work of other statutory inspectorates
- relevant improvement needs, identified in discussion with the Commission or other statutory inspectorates.

Where auditors rely on the reports of statutory inspectorates as evidence relevant to the audited body's corporate performance management and financial management arrangements, the conclusions and judgements in such reports remain the responsibility of the relevant inspectorate or review agency.

In reviewing the audited body's arrangements for its use of resources, it is not part of auditors' functions to question the merits of the policies of the audited body, but auditors may examine the arrangements by which policy decisions are reached and consider the effects of the implementation of policy. It is the responsibility of the audited body to decide whether and how to implement any recommendations made by auditors and, in making any recommendations, auditors should avoid any perception that they have any role in the decision making arrangements of the audited body.

While auditors may review audited bodies' arrangements for securing economy, efficiency and effectiveness in the use of resources, they cannot be relied on to have identified every weakness or every opportunity for improvement. Audited bodies should consider auditors' conclusions and recommendations in their broader operational or other relevant context.

## APPENDIX B

Auditors are not required to report to audited bodies on the accuracy of performance information that the audited bodies publish. Auditors' work is limited to a review of the systems put in place by the audited body to collect, record and publish the information, in accordance with guidance issued by the Commission. Nor are auditors required to form a view on the completeness or accuracy of the information or the realism and achievability of the assessments published by those audited bodies that are required to prepare best value performance plans.

Audit work in relation to the audited body's arrangements to ensure that its affairs are managed in accordance with proper standards of financial conduct, and to prevent and detect fraud and corruption, does not remove the possibility that breaches of proper standards of financial conduct, or fraud and corruption, have occurred and remained undetected. Nor is it auditors' responsibility to prevent or detect breaches of proper standards of financial conduct, or fraud and corruption, although they will be alert to the possibility and will act promptly if grounds for suspicion come to their notice.

## C Action Plan - Accounts

Finding	Action required for 2006/07 accounts	Other system improvement required	Management response	Implementation date and responsibility
<b>Issues relating to proposed adjustments</b>				
None				
<b>Wider control issues identified during the audit</b>				
During our audit it was noted that the spreadsheet used to maintain the fixed asset register did not carry forward the net book value of assets correctly. Whilst this had no effect on the 2006/07 accounts, use of this register will result in an error in the 2007/08 accounts, unless the register is corrected.	Nil	Correction of the formula used to carry forward the net book value for the vehicles, plant and equipment.	Accepted. This was a spreadsheet error.	Complete.

## D Accounts Adjustments Agreed

Finding	I+E account Dr £000	I+E account Cr £000	Balance sheet Dr £000	Balance sheet Cr £000
<b>Accounting adjustments that affect the reported surplus/ deficit on the Income and Expenditure account</b>				
None				
<b>Accounting adjustments that do not affect the reported surplus/ deficit on the Income and Expenditure account</b>				
The reporting of pension costs is detailed in Financial Reporting Standard 17. It was noted that whilst the accounts contained the correct total balance, the analysis within the Income and Expenditure account was incorrect.	Current Service Costs 320 Non distributable costs 68	Interest cost 388		
We also recommended a number of disclosure and presentational adjustments to correct omissions and inconsistencies, to improve clarity of disclosure in the accounts and to reflect more closely, the specific requirements of the 2006 SoRP.	-	-	-	-

## E Accounts Adjustments not Processed by Management

Finding	I+E account Dr £000	I+E account Cr £000	Balance sheet Dr £000	Balance sheet Cr £000
<b>Accounting adjustments that would affect the reported surplus/ deficit on the Income and Expenditure account</b>				
An adjustment was required regarding the farm conservation scheme payments. It was noted that the maintenance payments for 2006/07 have been accounted for in 2007/08. This understates creditors by £23,083.93.	23			23
<b>Accounting adjustments that would not affect the reported surplus/ deficit on the Income and Expenditure account</b>				
None				

## F Reports Issued

Report title	Date issued
Audit and inspection plan 2006/07	January 2007
Annual report to those charged with governance (accounts and use of resources)	September 2007

## G Audit Fee Update

Audit Area	Plan 2006/07	Actual 2006/07
Risk assessment, liaison and reporting	1,700	1,700
Accounts	5,250	5,250
Use of resources	3,400	3,400
BVPP/ Data quality	3,500	3,500
<b>Total Code of Audit Practice fee</b>	<b>13,850</b>	<b>13,850</b>

### Code of Practice audit

As shown in the table above, the 2006/07 actual fee equalled the planned fee.

### Grant claims audit

Grant claim certification work will be completed between August and December 2007. The audit fee was originally estimated at £600.

Our work is charged to the Authority based on the cost of auditing each claim and the overall fee normally varies from estimate, depending on the number and complexity of claims to be audited, as well as the quality of claim compilation and supporting documentation.

We will update the Authority on the final fee charged for 2006/07, in our annual audit letter that we will produce in January 2008.

### Non audit work

We have not carried out any audit work outside of the Code of Audit Practice audit and have not provided any non audit services to the Authority.