

Our reference CEN/BR349/11-12/AAL

5 October 2012

Members
Brentwood Borough Council
Town Hall
Ingrave Road
Brentwood, Essex
CM15 8AY

Direct line 0844 798 5811
Email paul-king@audit-
commission.gov.uk

Dear Member

Brentwood Borough Council Annual Audit Letter 2011/12

I am pleased to submit my Annual Audit Letter which summarises my 2011/12 audit of Brentwood Borough Council.

Financial statements and value for money conclusion

On 25 September 2012, I presented my Annual Governance Report (AGR) to the Audit Committee outlining the findings of my audit of the Council's 2011/12 financial statements. I will not replicate those findings in this letter, but have summarised the key messages.

The draft 2011/12 financial statements presented for audit were complete, received by the deadline and included all required notes and figures in the format required by current legislation. The Council has worked hard to improve the standard of the accounts and quality of working papers for 2011/12. This is reflected in my being able to issue my final report and unqualified audit opinion by the 30 September 2012 deadline.

I identified three material misstatements in the accounts as well as disclosure and presentational errors. The Council has amended for these and there was no impact on the general fund balance for these corrected errors. My audit work also identified eight non material (but non trivial) errors and uncertainties that the Council decided not to amend. There were also a number of disclosure errors in the notes to the accounts which management decided not to adjust. The extrapolated impact of these errors was not material.

My assessment of the Council's arrangements to secure economy, efficiency and effectiveness in its use of resources was made against two criteria specified by the Commission. These are:

- whether the organisation has proper arrangements in place to secure financial resilience; and
- whether the organisation has proper arrangements for challenging how it secures economy, efficiency and effectiveness.

The Council continues to improve its financial governance, planning and control arrangements. While work continues on improving budget setting and controls, internal system controls and cash flow monitoring, these current arrangements do not impact adversely on the VFM conclusion in respect of financial resilience. The Council identifies its key objectives and how it can achieve decreases in costs, while improving productivity.

Following the Audit and Standards Committee on 25 September 2012, I:

- issued an unqualified opinion on the Council's 2011/12 financial statements included in the Council's Statement of Accounts; and
- concluded that you have made proper arrangements to secure economy, efficiency and effectiveness in your use of resources.

I was unable to certify completion of the audit because:

- I still had to complete my work on the Whole of Government Accounts (WGA) consolidation pack; and
- an objection had been received but not yet determined.

I have now completed my work on WGA and issued my assurance statement.

Under the terms of my appointment, and in accordance with the Audit Commission's Standing Guidance for Auditors, I am required to consider whether any objection received directly relates to my opinion on the financial statements or my value for money conclusion. I have formed the view that, because of the amount of sums involved, and the subject matter of the objection, it does not. Under the terms of my appointment I am therefore required to leave the objection for consideration by the incoming auditor to whom I will make available the notice of objection.

Grant claims and returns

I have completed my audit of grants claims and returns with the exception of the 2011/12 Housing and Council Tax Benefits return. This will be completed by the deadline of 30 November 2012 specified by the Department of Work and Pensions (DWP).

Closing remarks

I have discussed and agreed this letter with the Managing Director and Head of Corporate Finance. While this has been another challenging year for the Council I wish to thank the finance staff for their positive and constructive approach they have taken to my audit. I also wish to thank senior management and the Audit Committee for their support and co-operation during the audit.

This is my final Annual Audit Letter as District Auditor, as the Authority will have a new appointed auditor for 2012/13 following the outcome of the Audit Commission procurement exercise to outsource the work of the Audit Commission's Audit Practice. I should like to take this opportunity to once again thank the Authority and their staff for the professional approach to the audit during the time that I have been the appointed auditor.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Paul King'.

Paul King
District Auditor