

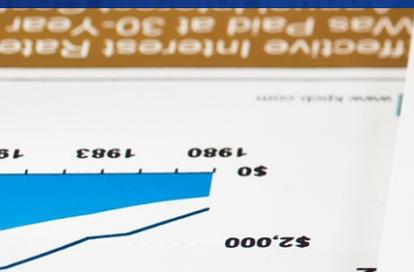


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# Annual Audit Letter 2012/13

North London Waste Authority

October 2013



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This report is addressed to the Authority and has been prepared for the sole use of the Authority. We take no responsibility to any member of staff acting in their individual capacities, or to third parties. The Audit Commission has issued a document entitled *Statement of Responsibilities of Auditors and Audited Bodies*. This summarises where the responsibilities of auditors begin and end and what is expected from the audited body. We draw your attention to this document which is available on the Audit Commission's website at [www.auditcommission.gov.uk](http://www.auditcommission.gov.uk).

External auditors do not act as a substitute for the audited body's own responsibility for putting in place proper arrangements to ensure that public business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively.

If you have any concerns or are dissatisfied with any part of KPMG's work, in the first instance you should contact Philip Johnstone, the appointed engagement lead to the Authority, who will try to resolve your complaint. If you are dissatisfied with your response please contact Trevor Rees on 0161 246 4000, or by email to [trevor.rees@kpmg.co.uk](mailto:trevor.rees@kpmg.co.uk), who is the national contact partner for all of KPMG's work with the Audit Commission. After this, if you are still dissatisfied with how your complaint has been handled you can access the Audit Commission's complaints procedure. Put your complaint in writing to the Complaints Unit Manager, Audit Commission, 3<sup>rd</sup> Floor, Fry Building, 2 Marsham Street, London, SW1P 4DF or by email to [complaints@audit-commission.gsi.gov.uk](mailto:complaints@audit-commission.gsi.gov.uk). Their telephone number is 03034448330.

**This report summarises the key findings from our 2012/13 audit of the North London Waste Authority (the Authority).**

**Although this letter is addressed to the Members of the Authority, it is also intended to communicate these issues to key external stakeholders, including members of the public.**

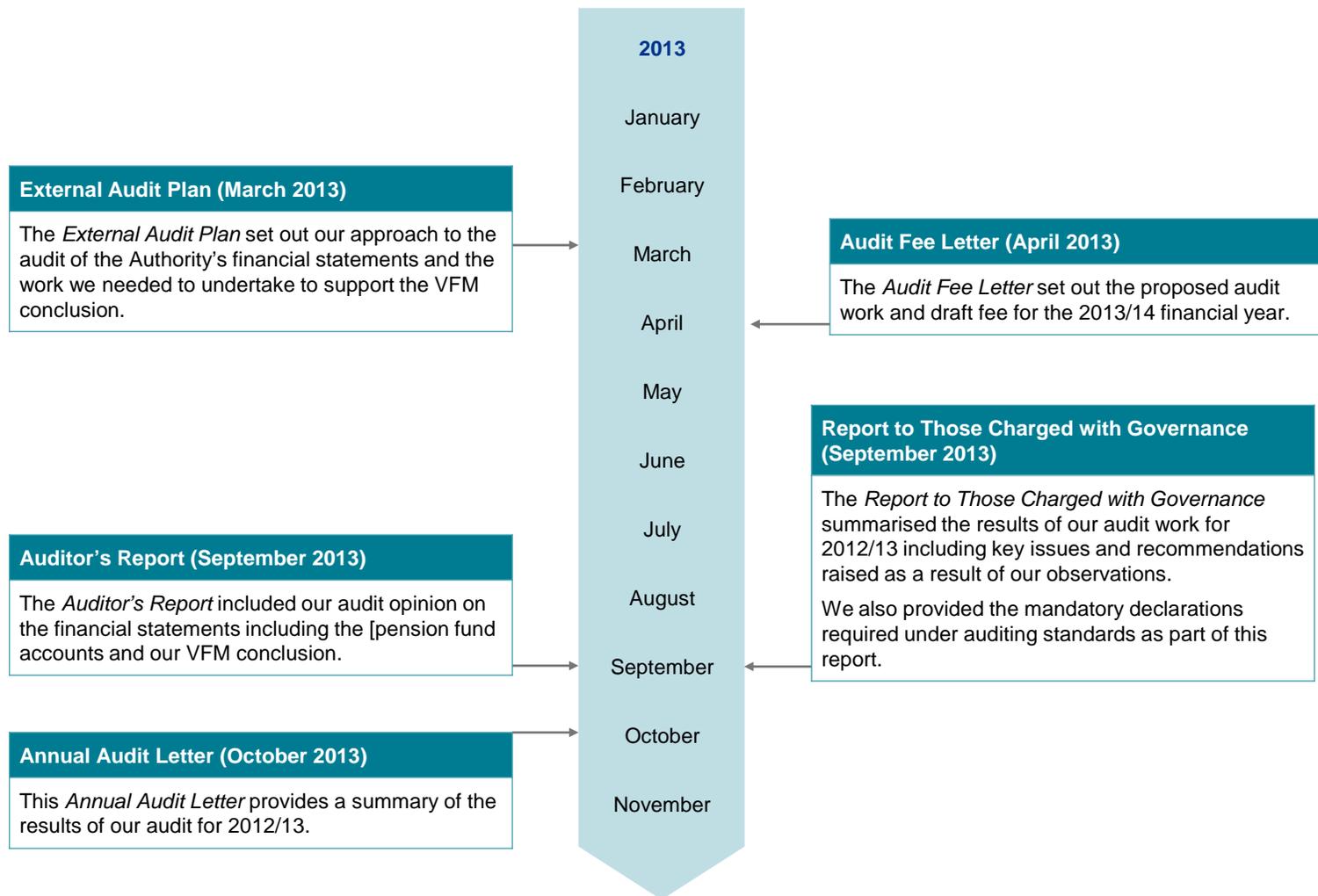
**Our audit covers the audit of the Authority's 2012/13 financial statements and the 2012/13 VFM conclusion.**

**All the issues in this letter have been previously reported. The detailed findings are contained in the reports we have listed in Appendix 1.**

<b>Financial statements audit</b>	<p>We completed our 2012/13 audit in good time following receipt of draft accounts before the 30 June 2013 deadline. Throughout the audit processes officers were prompt in dealing with our queries and working papers provided were of a high quality.</p> <p>We identified two audit differences that the Authority declined to amend, both arising from the accounts of the Authority's subsidiary London Waste Limited and reported by its auditors, BDO. We are satisfied that the impact of the differences – a net understatement of £437,000 – was not material to the financial statements of the Authority.</p>
<b>Annual Governance Statement</b>	<p>We reviewed your <i>Annual Governance Statement</i> and concluded that it was consistent with our understanding.</p>
<b>Audit opinion</b>	<p>We issued an unqualified opinion on your financial statements on 26 September 2013. This means that we believe the financial statements give a true and fair view of the financial position of the Authority and of its expenditure and income for the year. The financial statements also include those of the pension fund.</p>
<b>VFM conclusion</b>	<p>We issued an unqualified value for money (VFM) conclusion for 2012/13 on 26 September 2013.</p> <p>This means we are satisfied that you have proper arrangements for securing financial resilience and challenging how you secure economy, efficiency and effectiveness.</p> <p>To arrive at our conclusion we looked at your financial governance, financial planning and financial control processes, as well as how you are prioritising resources and improving efficiency and productivity.</p>
<b>Whole of Government Accounts</b>	<p>We reviewed the consolidation pack which the Authority prepared to support the production of Whole of Government Accounts by HM Treasury. We reported that the Authority's pack was consistent with the audited financial statements.</p>
<b>Certificate</b>	<p>We have not yet issued our certificate and concluded the audit for 2012/13 in accordance with the requirements of the <i>Audit Commission Act 1998</i> and the Audit Commission's <i>Code of Audit Practice</i>. This is because we are considering matters brought to our attention by local electors.</p> <p>There are no matters currently unresolved that we consider materially affect our audit opinion and value for money conclusion.</p>
<b>Audit fee</b>	<p>Our total fee for 2012/13 was £18,270 excluding VAT, which is 40 percent lower than the 2011/12 fee of £30,450.</p> <p>There is likely to be a further fee during 2013/14 as we continue consideration of matters raised by electors.</p> <p>This fee matches that contained within our audit fee letter for 2012/13.</p>

## Appendix 1: Summary of reports issued

This appendix summarises the reports we issued since the *Annual Audit Letter* issued to you by the Audit Commission in October 2012.





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