

Annual Audit Letter

North London Waste Authority

Audit 2008/09

November 2009



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Status of our reports

The Statement of Responsibilities of Auditors and Audited Bodies issued by the Audit Commission explains the respective responsibilities of auditors and of the audited body. Reports prepared by appointed auditors are addressed to non-executive directors/ members or officers. They are prepared for the sole use of the audited body. Auditors accept no responsibility to:

- any director/member or officer in their individual capacity; or
 - any third party.
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Key messages

This report summarises the findings from our 2008/09 audit. It includes messages arising from the audit of your financial statements and the results of the work I have undertaken to assess your arrangements to secure value for money in your use of resources.

Audit opinion

- 1 An unqualified audit opinion on the Waste Authority's financial statements was issued on 25 September 2009.

Financial Statements

- 2 The financial statements were submitted for audit by the due date and were supported by good working papers in line with our expectations.
- 3 A number of relatively minor audit adjustments were made to the financial statements. There was no change to the reported underspend for 2008/09 or net assets.

Value for money

- 4 I assessed your arrangements to secure economy, efficiency and effectiveness in your use of resources against criteria specified by the Audit Commission. The Waste Authority met the requirements of all of these and I therefore issued an unqualified value for money conclusion on 25 September 2009.

Audit fees

- 5 Fees charged for the 2008/09 audit are set out in Table 1.

Table 1 **Audit fees**

	Actual	Proposed	Variance
Financial statements and annual governance statement	22,532	22,532	-
VFM conclusion	8,100	8,100	-
Total fees	30,632	30,632	-

Actions

6 There are no actions resulting from this report.

Independence

7 I can confirm that the audit has been carried out in accordance with the Audit Commission's policies on integrity, objectivity and independence.

Financial statements and annual governance statement

The Waste Authority's financial statements and annual governance statement are an important means by which the Waste Authority accounts for its stewardship of public funds.

Significant issues arising from the audit

- 8** No material issues arose during the course of our audit. We identified a number of non material errors in the financial statements which we reported to those charged with governance on 25 September 2009.
-

Material weaknesses in internal control

- 9** I did not identify any significant weaknesses in your internal control arrangements.
- 10** Further details of the findings of my audit of the 2008/09 financial statements are set out in the Annual Governance Report, which I presented to the Authority meeting in September 2009.
-

Accounting Practice and financial reporting

- 11** I considered the qualitative aspects of your financial reporting. There have been no significant issues in relation to accounting practice and financial reporting that I need to raise with you.

Value for money conclusion

I assessed whether the Council put in place adequate corporate arrangements for securing economy, efficiency and effectiveness in its use of resources. This is known as the value for money (VFM) conclusion.

VFM Conclusion

- 12** I assessed your arrangements to secure economy, efficiency and effectiveness in your use of resources against criteria specified by the Audit Commission. From 2008/09, the Audit Commission will specify each year, which of the use of resources KLOE are the relevant criteria for the VFM conclusion at each type of audited body. My conclusions on each of the areas are set out in Appendix 1.
- 13** I issued an unqualified conclusion stating that the Waste Authority had adequate arrangements to secure economy, efficiency and effectiveness in its use of resources.

Closing remarks

- 14** I have discussed and agreed this letter with the Financial Adviser. I will present this letter at the Authority meeting on 9 December 2009 and will provide copies to all members.
- 15** Further detailed findings, conclusions and recommendations in the areas covered by our audit are included in the reports issued to the Waste Authority during the year.

Table 2

Report	Date issued
Audit Plan	June 2009
Annual Governance Report	September 2009
Annual Audit Letter	October 2009

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- 16** The Waste Authority has taken a positive and constructive approach to our audit. I wish to thank the staff for their support and co-operation during the audit.

Philip Johnstone
District Auditor

November 2009

Appendix 1 – Value for money conclusion

17 The following tables summarises the key findings for each of the three use of resources themes.

KLOE	Met
Managing Finances	
Planning for financial health	Yes
Understanding costs and achieving efficiencies	Yes
Financial reporting	Yes
Governing the business	
Risk management and internal control	Yes
Managing resources	
Strategic asset management	Yes

The Audit Commission

The Audit Commission is an independent watchdog, driving economy, efficiency and effectiveness in local public services to deliver better outcomes for everyone.

Our work across local government, health, housing, community safety and fire and rescue services means that we have a unique perspective. We promote value for money for taxpayers, auditing the £200 billion spent by 11,000 local public bodies.

As a force for improvement, we work in partnership to assess local public services and make practical recommendations for promoting a better quality of life for local people.

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