

TO: Cambridgeshire and Peterborough Fire Authority

FROM: Director of Resources

DATE: 24 September 2008

ANNUAL AUDIT LETTER 2007/08

1. Purpose

- 1.1 To ask the Fire Authority to approve the contents of the appointed auditors' annual audit letter for 2007/08.

2. Recommendations

- 2.1 The Fire Authority is asked to receive the appointed auditors' annual audit letter for 2007/08 and to endorse the Authority's response to the issues raised.

3. Risk Assessment

- 3.1 Economic and Technological – Recommendations raised within the reports highlight specific action required to counter any potential financial loss of the current financial systems of internal control.
- 3.2 Political – Business Continuity processes need strengthening to ensure all systems are resilient and business operations can continue to function in the event of a disaster.

4. Background

- 4.1 PricewaterhouseCoopers (PWC) are the Fire Authority's appointed external auditor.
- 4.2 The Audit report attached at Appendix 1 covers:
 - a) the Audit of the Accounts and Governance arrangements for 2007/08;
 - b) a conclusion on the arrangements that the audited body has in place to secure economy, efficiency and effectiveness in its use of resources; and
 - c) forming a conclusion as to whether the Best Value Performance Plan complies with statutory requirements.

5. Audit Findings

- 5.1 With regard to Accounts and Governance, the report by PWC states that an unqualified audit opinion is anticipated in respect of the 2007/08 statement of accounts.
- 5.2 The auditing standard ISA 260 “Communication of audit matters to those charged with Governance” requires the External Auditor to communicate relevant matters relating to the Audit to those charged with governance of the entity, sufficiently promptly to enable them to take appropriate action. The auditor did not make any findings under this standard.
- 5.3 The review of the Authority’s arrangements for securing economy, efficiency and effectiveness in its use of resources was based upon the 2007/08 assessment. The conclusion is based upon the Authority’s performance against the use of resources criteria, the audit of the Best Value Performance Plan, the local government data quality assessment and any other relevant information that was presented through the audit. An unqualified opinion has been issued, with individual KLOE (Key Lines of Enquiry) scores reflecting those reported in March 2008.
- 5.4 As appointed auditor, PWC were required to assess whether the Authority had adequate arrangements in place to secure data quality. Overall, it was noted that the Authority did have adequate arrangements in place.

BIBLIOGRAPHY

Source Documents	Location	Contact Officer
2007/08 Report to Management on Internal Financial Controls	Hinchingsbrooke Cottage Brampton Road Huntingdon	Matthew Warren 01480 444619 matthew.warren@cambsfire.gov.uk
2007/08 Annual Audit Letter	Hinchingsbrooke Cottage Brampton Road Huntingdon	Matthew Warren 01480 444619 matthew.warren@cambsfire.gov.uk