

North Yorkshire Building
Control Partnership

Annual Audit Letter

On the 2009/10 Audit

November 2010

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1. Key messages

The Statement of Accounts was prepared, audited and closed in accordance with the agreed timetable. The Partnership achieved a good standard of financial reporting, with no material adjustments to the reported financial position. A number of presentation and disclosure amendments were made to bring the accounts in line with Statement of Recommended Practice for Local Authorities 2009 (SORP 2009). In prior years the Partnership had not been required to prepare its financial statements in accordance with the SORP.

We issued an unqualified audit opinion on the Statement of Accounts and the value for money conclusion on the 29 September 2010.

The audit certificate of completion of the audit was issued on 29 September 2010.

We did not identify any significant weaknesses in the financial reporting systems and control observations noted in our report are considered to be minor. Control observations were reported to the full Partnership, on 29 September 2010, as part of our report on significant matters arising from our audit.

Action needed by the Partnership

The Partnership needs to:

- continue to focus on meeting the financial reporting timetable, whilst striving to further improve quality standards of all deliverables and ensuring compliance with the applicable guidance. From 2010/11, local authorities' Statements of Accounts will be prepared under an International Financial Reporting Standards ("IFRS") based Code of Practice on Local Authority Accounting. We have not assessed the Partnerships's readiness for IFRS conversion; and
- implement the actions noted in the management response of each control observations raised in our report to those charged with governance.

2. Purpose, responsibilities and scope

The purpose of this letter

The purpose of this Annual Audit Letter is to summarise the key matters arising from the work that we have carried out in respect of the year ended 31 March 2010.

Although this letter is addressed to the members of North Yorkshire Building Control Partnership (“the Partnership”), it is also intended to communicate the significant issues we have identified, in an accessible style, to key external stakeholders, including members of the public. The letter will be published on the Audit Commission website at www.audit-commission.gov.uk.

This letter has been prepared in the context of the Statement of Responsibilities of Auditors and Audited Bodies issued by the Audit Commission. This is available from www.audit-commission.gov.uk.

Responsibilities of the Auditor and the Partnership

The Partnership is responsible for maintaining the control environment and accounting records and preparing the accounting statements in accordance with the Statement of Recommended Practice for Local Authorities 2009 (“SORP 2009”) and relevant legislation. In prior years the Partnership had not been required to prepare its financial statements in accordance with the SORP.

We were appointed as the Partnership’s independent external auditors by the Audit Commission, the body responsible for appointing auditors to local public bodies in England, including other local government bodies, on 12 August 2010.

As the Partnership’s appointed external auditor, we are responsible for planning and carrying out an audit that meets the requirements of the Audit Commission’s Code of Audit Practice (“the Code”). Under the Code, we have responsibilities in two main areas:

- the Partnership’s accounts; and
- whether the Partnership has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources (the value for money conclusion).

The scope of our work

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) (“ISA plus”) as adopted by the UK Auditing Practices Board (“APB”). The audit opinion on the accounts reflects the financial reporting framework adopted by the Partnership, being SORP 2009. We conducted our work on the value for money conclusion in line with guidance received from the Audit Commission in respect of other local government bodies for the financial year ended 31 March 2010.

3. The audit of the accounts

Key issues arising from the audit of the accounts

We issued an unqualified opinion on the Partnership's 2009/10 accounts on 29 September 2010, in accordance with the deadline set for local authorities. Our opinion confirms that the accounts present a true and fair view of the financial position of the Partnership and its income and expenditure for the year.

Before we give our opinion on the accounts, we are required to report to those charged with governance any significant matters arising from the audit. A detailed report was discussed with the members of the Partnership on 29 September 2010 and there were no key issues to report.

We received a set of draft accounts in accordance with the agreed deadline, which were supported by working papers. The finance staff were helpful throughout the process and responded swiftly to all queries. This performance reflects well on the professionalism of the finance staff and their commitment to maintaining high-level controls over financial systems. Amendments were made to some of the disclosures to bring them into line with the 2009 SORP. In prior years the Partnership had not been required to prepare its financial statements in accordance with the SORP.

We have considered the financial standing of the Partnership as at 31 March 2010. We have assessed this based on current/ongoing expenditure demands, expected income and the current cash position of the Partnership. It is expected that public sector funding cuts may cause a reduction in grant income received in the future. The Partnership has drawn up plans on how to deal with differing levels of income reduction. On this basis the financial standing of the Partnership is considered to be satisfactory.

Audit certificate

When our audit is complete we are required to certify the closure of the audit. The audit certificate was issued on 29 September 2010.

4. Value for money

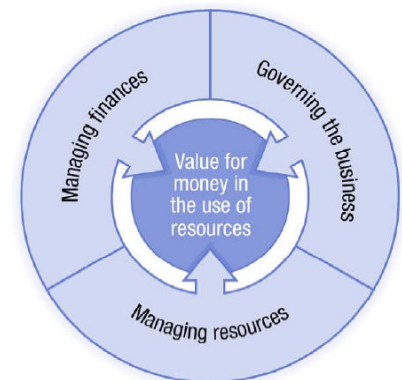
Background

Under the Code of Audit Practice, we are required to give a 'yes/no' opinion on whether the Partnership has put in place proper arrangements to secure economy, efficiency and effectiveness in their use of resources. This is known as the value for money conclusion and is given within our audit report on the Partnership's Statement of Accounts.

We are required to assess how well the Partnership manages and uses its financial resources by performing an unscored assessment in two of the three theme areas as specified by the Audit Commission in accordance with their guidance for other local government bodies. Within this, we are required to consider arrangements in four of the ten key lines of enquiry (KLOE) in any one year. This assessment will inform our value for money conclusion.

The value for money assessment considers how well organisations are managing and using their resources to deliver value for money and better and sustainable outcomes for local people. The three themes and the specific KLOE considered in 2009/10 are:

- sound and strategic financial management:
 - understanding costs and achieving efficiencies;
 - financial reporting;
- good governance:
 - good governance; and
 - risk management and internal controls.



Value for money conclusion

Having performed our work in line with guidance received from the Audit Commission we issued an unqualified value for money conclusion for the 2009/10 financial year. This means that we are satisfied that in the areas reviewed the Partnership put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources during the year.

5. Other matters

Audit Commission

On 13 August 2010, the Secretary of State for Communities and Local Government announced the proposed abolition of the Audit Commission. The proposed abolition will be after the March 2012 financial year end and the Audit Commission has confirmed that there is no immediate change to audit arrangements. New audit arrangements are likely to apply from the start of the 2012/13 financial year.

Reports issued

Reports issued during the course of the 2009/10 audit included:

- Fee letter in August 2010;
- Report to those charged with governance on the 2009/10 audit in September 2010; and
- Annual audit letter in November 2010.

Analysis of audit fees

Audit fees charged are as follows:

	2010 £'000
Total fees for work carried out under the Code of Audit Practice	9

We have not performed any non-audit services in either the current or prior year.

Independence and objectivity

In our professional judgement, our policies and safeguards that are in place ensure that we are independent within the meaning of all regulatory and professional requirements and that the objectivity of the audit lead and audit staff is not impaired.

Grants

We have not undertaken any work during the year on grant claims made by the Partnership.

6. Closing remarks

This letter has been discussed and agreed with the S151 Officer of Ryedale District Council and the Head of Building Control. A copy of the letter will be presented at the Board meeting on 22 December 2010.

We would like to take this opportunity to express our appreciation for the assistance and co-operation provided during the course of the audit. Our aim is to deliver a high standard of audit which makes a positive and practical contribution which supports the Partnership's own agenda. We recognise the value of your co-operation and support.



Deloitte LLP

Chartered Accountants

Leeds, England

3 November 2010

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 and this report is prepared on the basis of, and our audit work is carried out in accordance with, that statement.

The matters raised in this report are only those that came to our attention during our audit and are not necessarily a comprehensive statement of all weaknesses that exist or of all improvements that might be made. You should assess recommendations for improvements for their full implications before they are implemented. In particular, we would emphasise that we are not responsible for the adequacy and appropriateness of the national use of resources study data and methodology as they are derived solely from the Audit Commission.

This report has been prepared for the Members, as a body, and we therefore accept responsibility to you alone for its contents. We accept no duty, responsibility or liability to any other party since this report has not been prepared, and is not intended, for any other purpose.

An audit does not provide assurance on the maintenance and integrity of the website, including controls used to achieve this, and in particular on whether any changes may have occurred to the Annual Audit Letter since first published. These matters are the responsibility of the Partnership but no control procedures can provide absolute assurance in this area.

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