

**Our reference** MH/CB/1004

19 December 2007

Mr R F Mather

Deputy Chief Executive/Corporate Director – Finance &  
Central Services  
Cumbria County Council  
The Courts  
CARLISLE  
Cumbria CA3 8NA

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Dear Mr Mather

### **Cumbria County Council - Audit of Accounts 2006/07 Notice of Certification of Completion of the Audit**

I am pleased to be able to advise you that the audit of your Authority's accounts for the year ending 31 March 2007 has been completed. An unqualified opinion and the audit certificate on the accounts were issued on 19 December 2007.

I have not had to issue a report in the public interest under section 8 of the Audit Commission Act 1998.

May I draw your attention to Regulation 18(1) of the Accounts and Audit Regulations 2003 which requires the Authority to give notice by advertisement that the audit has been concluded and that the statement of accounts is available for inspection by local government electors.

I would also draw your attention to Regulation 18(3) (which makes provision as to statements and explanations which should accompany the statement of accounts made available for inspection) and to Regulation 18(4) (which requires that the Authority's responsible financial officer shall report to the Authority or Committee which approved the statement of accounts, any material amendment to the statement of accounts).

Yours sincerely



Mark Heap  
District Auditor

cc Gina Martlew, Audit Manager  
Mr S Berry, Head of Financial Management, Cumbria County Council

## **Independent auditor's report to the Members of Cumbria County Council on the whole of government accounts (WGA) consolidation pack**

I have examined the consolidation pack of Cumbria County Council for the year ended 31 March 2007, which has been prepared and certified by the Consolidation Officer in accordance with instructions from HM Treasury.

I confirm that I have performed the procedures for Band 2 bodies as set out in the Audit Commission's Auditor Briefing 1/2006.

This report is made solely to Cumbria County Council in accordance with section 10 (2) of the Government Resources and Accounts Act 2000 and for no other purpose, as set out in paragraph 36 of the Statement of Responsibilities of Auditors and Audited Bodies prepared by the Audit Commission.

In my opinion, the consolidation pack is consistent with the statement of accounts for the year ended 31 March 2007 on which I have entered my opinion in accordance with section 9 of the Audit Commission Act 1998.



Mark Heap  
District Auditor

Date 14 December 2007

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## **Independent auditor's report to the Members of Cumbria County Council**

### **Opinion on the financial statements**

I have audited the financial statements, the firefighters' pension fund accounting statements and the local government pension fund accounts of Cumbria County Council and its Group for the year ended 31 March 2007 under the Audit Commission Act 1998. The financial statements comprise the Income and Expenditure Account, Balance Sheet, Statement of Total Recognised Gains and Losses, Cash Flow Statement, Group Accounts and the related notes. The firefighters' pension fund accounting statements comprise the Fund Account, the Net Assets Statement and the related notes. The local government pension fund accounts comprise the Fund Account, the Net Assets Statement and the related notes. The financial statements, the firefighters' pension fund accounting statements and local government pension fund accounts have been prepared under the accounting policies set out within them.

This report is made solely to Cumbria County Council in accordance with Part II of the Audit Commission Act 1998 and for no other purpose, as set out in paragraph 36 of the Statement of Responsibilities of Auditors and of Audited Bodies prepared by the Audit Commission.

### **Respective responsibilities of the Chief Finance Officer and auditor**

The Chief Finance Officer's responsibilities for preparing the financial statements, including the firefighters' pension fund accounting statements and the local government pension fund accounts in accordance with applicable laws and regulations and the Statement of Recommended Practice on Local Authority Accounting in the United Kingdom 2006 are set out in the Statement of Responsibilities.

My responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

I report to you my opinion as to whether the financial statements, the firefighters' pension fund accounting statements and the local government pension fund accounts present fairly, in accordance with applicable laws and regulations and the Statement of Recommended Practice on Local Authority Accounting in the United Kingdom 2006:

- the financial position of the Authority and its income and expenditure for the year;
- the financial transactions of its firefighters' pension fund during the year and the amount and disposition of the fund's assets and liabilities, other than liabilities to pay pensions and other benefits after the end of the scheme year; and
- the financial transactions of its local government pension fund during the year and the amount and disposition of the fund's assets and liabilities, other than liabilities to pay pensions and other benefits after the end of the scheme year.

I review whether the statement on internal control reflects compliance with CIPFA's guidance 'The statement on internal control in local government: meeting the requirements of the Accounts and Audit Regulations 2003' issued in April 2004. I report if it does not comply with proper practices specified by CIPFA or if the statement is misleading or inconsistent with other information I am aware of from my audit of the financial statements. I am not required to consider, nor have I considered, whether the statement on internal control covers all risks and controls. I am also not required to form an opinion on the effectiveness of the Authority's corporate governance procedures or its risk and control procedures.

I read other information published with the financial statements, and consider whether it is consistent with the audited financial statements. This other information comprises only the Preface and the Explanatory Foreword. I consider the implications for my report if I become aware of any apparent misstatements or material inconsistencies with the financial statements. My responsibilities do not extend to any other information.

### **Basis of audit opinion**

I conducted my audit in accordance with the Audit Commission Act 1998, the Code of Audit Practice issued by the Audit Commission and International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the Authority in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Authority's circumstances, consistently applied and adequately disclosed.

I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming my opinion I also evaluated the overall adequacy of the presentation of information in the financial statements.

## Opinion

In my opinion:

- The financial statements present fairly, in accordance with applicable laws and regulations and the Statement of Recommended Practice on Local Authority Accounting in the United Kingdom 2006, the financial position of the Authority and its Group as at 31 March 2007 and its income and expenditure for the year then ended;
- The firefighters' pension fund accounting statements present fairly, in accordance with the Statement of Recommended Practice on Local Authority Accounting in the United Kingdom 2006, the financial transactions of the firefighters' pension fund during the year ended 31 March 2007, and the amount and disposition of the fund's assets and liabilities as at 31 March 2007, other than liabilities to pay pensions and other benefits after the end of the scheme year; and
- The local government pension fund accounts present fairly, in accordance with the Statement of Recommended Practice on Local Authority Accounting in the United Kingdom 2006, the financial transactions of the local government pension fund during the year ended 31 March 2007, and the amount and disposition of the fund's assets and liabilities as at 31 March 2007.

*Mark Heap*

**Mark Heap, District Auditor**

Date *19 December 2007*

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## **Conclusion on arrangements for securing economy, efficiency and effectiveness in the use of resources**

### **Authority's Responsibilities**

The authority is responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources, to ensure proper stewardship and governance, and to regularly review the adequacy and effectiveness of these arrangements.

Under the Local Government Act 1999, the authority is required to prepare and publish a best value performance plan summarising the authority's assessment of its performance and position in relation to its statutory duty to make arrangements to ensure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

### **Auditor's Responsibilities**

I am required by the Audit Commission Act 1998 to be satisfied that proper arrangements have been made by the authority for securing economy, efficiency and effectiveness in its use of resources. The Code of Audit Practice issued by the Audit Commission requires me to report to you my conclusion in relation to proper arrangements, having regard to relevant criteria specified by the Audit Commission for principal local authorities and fire and rescue authorities. I report if significant matters have come to my attention which prevent me from concluding that the authority has made such proper arrangements. I am not required to consider, nor have I considered, whether all aspects of the authority's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

I am required by section 7 of the Local Government Act 1999 to carry out an audit of the authority's best value performance plan and issue a report:

- certifying that I have done so;
- stating whether I believe that the plan has been prepared and published in accordance with statutory requirements set out in section 6 of the Local Government Act 1999 and statutory guidance; and
- where relevant, making any recommendations under section 7 of the Local Government Act 1999.

## Conclusion

I have undertaken my audit in accordance with the Code of Audit Practice and having regard to the criteria for principal local authorities and fire and rescue authorities specified by the Audit Commission and published in December 2006, I am satisfied that, in all significant respects, Cumbria County Council made proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ending 31 March 2007.

## Best Value Performance Plan

I issued my statutory report on the audit of the authority's best value performance plan for the financial year 2006/07 on 12 December 2006. I did not identify any matters to be reported to the authority and did not make any recommendations on procedures in relation to the plan.

## Certificate

I certify that I have completed the audit of the accounts in accordance with the requirements of the Audit Commission Act 1998 and the Code of Audit Practice issued by the Audit Commission.



**Mark Heap, District Auditor**

Date *19 December 2007*

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