



HENDERSON LOGGIE

**Grampian Joint Police Board**

**Report to Members and the  
Controller of Audit**

**2006/2007**

**External Audit Report No: 2007/05**

**Draft Issued: 12 September 2007**

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# Contents

	<b>Page</b>		<b>Page</b>
1. Executive Summary	1	<b>Appendix I</b> Respective Responsibilities	14
2. Introduction	2		
3. Financial	3-6		
4. Governance	7-9		
5. Performance	10-13		



# Executive Summary

## 1.1 Financial

- 1.1.1 The audit of the 2006/2007 financial statements has been completed within the timescale advised by Audit Scotland. Our opinion on the financial statements is unqualified. The statements have been properly prepared in accordance with the Local Government (Scotland) Act 1973.
- 1.1.2 On 21 August 2007 we issued to the Board's Stewardship Sub-Committee our audit report no. 2007/04, Report to those charged with Governance on the Audit of Grampian Joint Police Board. The report provides audit comment on the key issues and audit opinion arising from the audit of the financial statements and of the financial system of internal control.
- 1.1.3 The Board's Income and Expenditure Account shows a deficit for the year of £32.108 million. After adjusting for amounts required by statute and non-statutory proper practices to be debited or credited to the General Fund Balance, the reported decrease in the General Fund Balance for the year of £0.947 million.
- 1.1.4 We are pleased to report that there are no recommendations or action plan arising from this year's audit and that all of our recommendations from the previous year have been implemented.

## 1.2 Governance

- 1.2.1 Members of the Board and the Stewardship Sub-Committee are drawn from the three constituent authorities. As a result of the May 2007 elections, a number of Councillor Members have been replaced with new Councillors. Training for new Councillor Members will be required to ensure they are knowledgeable of the Board's responsibilities.

- 1.2.2 The change in the political makeup of the constituent councils post the May 2007 elections will require a build up of relationships to ensure the Board is effective in delivering its statutory and corporate objectives.
- 1.2.3 The Board is responsible for a number of key aspects including budget setting, appointment of chief officers and scrutiny and challenge of Force performance. Officers provide the Board and the Stewardship Sub-Committee with reports and statistical data to enable Members to make informed decisions and to raise challenges where appropriate.

## 1.3 Performance

- 1.3.1 Strategic planning is set out in the Force's three-year plan "Platform for Success". Under the leadership of the Force Executive the Business Area Management Teams are involved in on-going performance management.
- 1.3.2 The 2006/2007 return to Audit Scotland for SPIs was made by the 31 July 2007 deadline. We concluded that the systems in operation for the production and publication of the SPIs were reliable for all indicators.
- 1.3.3 The HMIC Primary Inspection carried out in 2005/2006 reported that Grampian Police provides a high level of service to the people in the areas it serves and that the Force is assessed as being efficient and effective. The report identified 16 recommendations in which enhancements can be made to service delivery and also noted 12 examples of good practice (most if not all would be transferable to other Forces or police organisations). Good progress has been made in completing the recommendations, with an update recently reported to the Force Executive Board.



# Introduction

## 2.1 Introduction

- 2.1.1 We are pleased to submit our third annual report covering significant matters arising during the course of our audit of Grampian Joint Police Board (the Board) for the year ended 31 March 2007.
- 2.1.2 The framework under which we operate under appointment by Audit Scotland is as outlined in our *Risk Assessment, Annual Plan and Fee Proposal for 2006/07 (Report 2007/01 issued on 14 March 2007)*. The respective responsibilities of Board members and auditors are set out in Appendix I to this report.
- 2.1.3 Broadly the scope of our audit was to:
- provide an opinion on the financial statements in accordance with the standards and guidance issued by the Auditing Practices Board;
  - review and report on the Board's corporate governance arrangements in relation to systems of internal control, the prevention and detection of fraud and irregularity, standards of conduct, prevention and detection of corruption, and the Board's financial position;
  - review and report on the Board's arrangements to manage its performance, as they relate to economy, efficiency and effectiveness in the use of resources and in securing Best Value; and
  - review and report on whether the Board has made adequate arrangements for collecting, recording and publishing prescribed performance information.
- 2.1.4 Our audit approach focused on the identification of strategic business risks and operational and financial risks impacting on the Board.

## 2.2 Basis of Information

- 2.2.1 External auditors do not act as a substitute for the Board'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 efficiently, economically and effectively.
- 2.2.2 To a certain extent the content of this report comprises general information that has been provided by, or is based on discussions with, management and staff at the Board. Except to the extent necessary for the purposes of the audit, this information has not been independently verified.

## 2.3 Acknowledgement

- 2.3.1 Our audit for this year and the previous two years has brought us in contact with a wide range of staff within the Force. We would like to take this opportunity to place on record our appreciation of the co-operation and assistance extended to us by staff in the discharge of our duties.



## 3.1 Audit Completion

3.1.1 The target date for submission of the 2006/2007 audited accounts of the Board was 31 August 2007. We are pleased to report that the target date for the audit completion and certification of the annual accounts was met.

## 3.2 Accounts Certification

3.2.1 On 21 August 2007 we issued our audit report expressing an unqualified opinion on the financial statements of the Board for the year ended 31 March 2007. We set out below a summary of the audit certification issues:

- the financial statements present fairly, in accordance with applicable laws and regulations and the 2006 SORP, the financial position of Grampian Joint Police Board at 31 March 2007 and its income and expenditure for the year then ended; and
- the financial statements have been properly prepared in accordance with the Local Government (Scotland) Act 1973.
- We were not obliged to make any adverse comment on the Board's Statement on the System of Internal Financial Control. This confirmed that the content of the Statement was not inconsistent with information arising from our audit work.

## 3.3 Financial Position

3.3.1 In accordance with the changes in the 2006 SORP the Board included an Income and Expenditure Account and a Statement of Movement on the General Fund Balance in their accounts.

3.3.2 The Board's net operating expenditure of £129.106 million exceeded the income from government grants and constituent authorities' contributions, resulting in a deficit for the year of £32.018 million reported in the Income and Expenditure Account.

3.3.3 This reported deficit is carried into the Statement of Movement on the General Fund Balance and is then adjusted for items required by statute and non-statutory proper practices to be credited to the General Fund of £31.071 million. This results in a decrease in the General Fund Balance of £0.947 million for the year, reducing the General Fund Balance carried forward to £3.293 million as at 31 March 2007.

3.3.4 Details of the adjustments made are reported in the notes to the accounts in note 33 on page 48. These adjustments are due to the Board being required to consider funding elements of expenditure on a different accounting basis, including capital investment which is accounted for as it is financed rather than when the fixed assets are consumed, and retirement benefits that are charged as amounts which become payable to pension funds, and pensioners, rather than as future benefits earned.

## 3.4 Financial Performance

- 3.4.1 Financial performance is measured against the financial budget set by the Board in January 2006 for 2006/2007. In this regard the Board reported a small overspend for the financial year of £0.947 million against a budgeted breakeven position.
- 3.4.2 The main reason for this overspend is additional pension commutation lump sums were payable during the year (£0.637 million), which were not budgeted for with the remaining overspend relating to operational activities.
- 3.4.3 This outcome was achieved through close monitoring by both the Finance team and the Budget Holders throughout the year.

## 3.5 Pensions

- 3.5.1 The Board accounts for two defined benefit pension schemes; the Local Government Superannuation Scheme administered by Aberdeen City Council and the Uniformed Police Services Scheme. In accordance with FRS 17 reporting requirements the estimated pension liabilities provided by the Actuary at 31 March 2007 exceeded its share of assets in both schemes.

- 3.5.2 Changes in actuarial assumptions have led to a small decrease in the estimated liability at 31 March 2007.
- 3.5.3 The Uniformed Police Officers Pension Scheme is administered by the Board under the relevant pension regulations and is an unfunded scheme in that there are no assets. The liabilities for the scheme represent the best estimate of the Board's future commitments to pay retirement benefits to existing pensioners and serving officers who will become pensioners in due course. The Actuary provided the valuations using similar financial assumptions to those used for the Local Government Scheme.
- 3.5.4 The full actuarial valuation of the Aberdeen City Council Superannuation Scheme was carried out as at 31 March 2005. This highlighted a deficit of £243.4 million representing a funding level of 84% and requiring an average increased employer contribution rate of 233% of employee contributions. The report recommended the following increased rates in the employers' contributions for the next 3 years as follows; 275% in 2006/2007 rising to 300% in 2008/2009.

**Table 1 – Pension liabilities**

Estimated pension liabilities	2006/2007	2005/2006	Movement
<b>Pension Scheme</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
Local Government	12.92	16.04	3.12
Police	537.79	541.86	4.07
<b>Pension liabilities at</b>			
<b>31 March 2007</b>	550.71	557.90	7.19
	=====	=====	=====



## 3.5 Pensions (cont'd)

3.5.5 The decreased pension liability still resulted in a negative net assets position in the Board's Balance Sheet. This is normally seen as an indicator of a body's inability to continue as a going concern however, as per Practice Note 10 'Audit of financial statements of Public Sector Entities in the United Kingdom' issued by the Auditing Practices Board (APB), it is not uncommon for public sector bodies to have an excess of liabilities over assets and in these circumstances, auditors should consider the circumstances in which a body may cease to continue in operational existence. Given that FRS17 is concerned only with pensions accounting and does not, in itself, impact on the cash-flows or funding of the Board, the going concern basis is considered appropriate.

3.5.6 We are aware that the issue of future funding of Police Officers' pensions is being addressed at a national level.

## 3.6 Reserves and Balances

3.6.1 All Boards hold reserves which consist of earmarked amounts set aside to support future years' expenditure and contingencies for unexpected events or emergencies. At 31 March 2007 the General Reserve held by the Board totalled £3.293 million. The balance has been reduced by £0.947 million in 2006/2007 as a result of the deficit for the year.

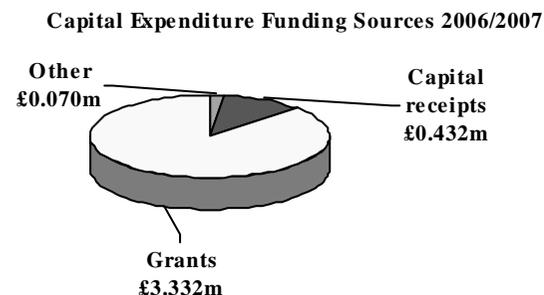
3.6.2 An amount of £2.027 million has been earmarked against the General Reserve for pension commutations for those officers eligible to retire on or before 31 March 2007 who have continued in post.

3.6.3 The remaining element of the General Reserve which has not been earmarked amounts to £1.266 million. This is well within the 5% maximum statutory threshold and the 1% minimum limit set by the Board.

## 3.7 Capital Expenditure

3.7.1 Capital expenditure is determined by the Board, based on the specific Scottish Executive (SE) grant, capital receipts and Prudential borrowing, if required. The total available funding for the capital programme was £5.922 million, made up of the SE grant of £3.450 million and capital receipts of £2.382 million which included receipts brought forward from the previous year of £1.964 million and small capital grants totalling £0.090 million provided by various sponsors. Unspent capital receipts of £1.950 million are available to help fund capital expenditure in 2007/2008. No borrowing was required.

3.7.2 Gross capital expenditure for the year amounted to £3.834 million. Funding for the capital expenditure was made up as follows:



## 3.8 Capital Accounting

- 3.8.1 The main movements on Fixed Assets were additions of £3.674 million on tangible assets which included £2.714 million on vehicles, plant and equipment, £0.796 million on operational land and buildings and £0.164 million on non-operational assets under construction. Details of movements on Fixed Assets and Capital Accounting entries are disclosed in the accounts.
- 3.8.2 We were satisfied with the Board's capital accounting arrangements for 2006/2007 and that the entries for additions and disposals were not misstated.



## 4.1 General

- 4.1.1 The Board and the Stewardship Sub-Committee met regularly during 2006/2007 and both comprised members from the constituent local authorities. The Board is responsible for a number of key aspects including budget setting, appointment of chief officers and scrutiny and challenge of Force performance. We have observed the operation of the committees during the year. Members generally understand the issues they are considering and officers are held to account for implementation of recommended improvements to internal control systems. The Force Executive encourages Members to be challenging in their consideration of reports submitted to both the Board and the Stewardship Sub-Committee.
- 4.1.2 The Board has produced a Joint Code of Corporate Governance which reflects the recent CIPFA good practice guidance. This will be subject to audit review in due course.
- 4.1.3 Our follow-up review of the Purchasing and Creditors Payments Report found that the Board had reacted positively and had taken action to implement nine out of the eleven recommendations. For the three recommendations which were only partially implemented, good progress has been made on these actions and plans are in place to complete these during 2007. Two recommendations have still to be implemented, however, plans are in place for these to be implemented within a reasonable timescale.
- 4.1.4 A separate management report detailing the above review has been issued and discussed with senior management and considered by the Stewardship Sub-Committee. An updated action plan has been agreed with management to ensure full implementation of agreed recommendations within a reasonable timescale.

## 4.2 Councillor Information

- 4.2.1 Budget monitoring information is routinely presented to the Board. Other reports to committee are made in a standard format that includes financial implications of any decision that will be made and generally make it clear what Members are asked to do in terms of noting or decision making.
- 4.2.2 Officers submit performance information to each cycle of meetings and a commentary is provided so that Members can focus on key data and trends. With the implementation of this more detailed reporting senior officers are more able to engage with Members as to performance outcomes and this makes disclosure more open and accountable.

## 4.3 Audit Committees - Effectiveness

- 4.3.1 The Stewardship Sub-Committee has continued to function well, considering outcomes from both internal and external audit work and information from other sources. As with meetings of the Board, management are providing more detailed information to the Stewardship Sub-Committee on matters such as Best Value reviews and other performance issues. This more detailed reporting is designed to generate discussion with Members and to increase their involvement in the development of reviews.

## 4.4 Reliance on Internal Audit

4.4.1 To minimise audit duplication we liaise with Internal Audit during our planning to identify areas of their work that we can place reliance on. For 2006/2007 we agreed to place reliance on work covering the review of the Board's Payroll system, Income Generation/ Debt Recovery and Corporate Governance. Following review of the files relating to these reports, we concluded that we could place reliance on the work and findings of internal audit.

4.4.2 During 2006/2007, the Board's Internal Audit arrangements were provided by the Internal Audit section of Aberdeen City Council through a Service Level Agreement which was extended to 31 March 2007. At the Stewardship Sub-Committee on 12 June 2007 it was agreed that the provision of Internal Audit services for the period 2006/2007 to 2008/2009 should be subjected to market testing. An invitation to tender notice has been issued in respect of a 3 year internal audit appointment which may be a shared service with Highland Police Force. A continuing robust Internal Audit function is important and we will monitor progress by the Force in making an appointment.

## 4.5 National Fraud Initiative

4.5.1 In 2006/2007 the Board again took part in the National Fraud Initiative (NFI) in Scotland. The exercise is undertaken as part of the audits of the participating bodies. NFI brings together data from Councils, Police and Fire and Rescue Boards, Health Bodies and other agencies, to help identify and prevent a wide range of frauds against the public sector. These include housing benefit fraud, occupational pension fraud and payroll fraud. The NFI has generated significant savings for Scottish public bodies (£27 million to 2005) but, if fraud or overpayments are

not identified by a body, assurances may be taken about internal arrangements for preventing and detecting fraud.

4.5.2 The NFI 2006/2007 results (data matches) were made available to audited bodies on 29 January 2007 via a new secure web-based application. Participating bodies follow up the matches, as appropriate, and record the outcomes of their investigations in the application. We monitored the Board's involvement in NFI 2006/07 during the course of our audit.

4.5.3 The Board submitted mandatory data for the matching exercise on time. In addition to the mandatory data, participating bodies were able to submit optional datasets, evaluating whether to do so according to perceived risk. The Board chose to submit trade creditor data but this was submitted later and included in the second run. The Board submitted the required interim return at 31 May 2007.

4.5.4 Like other Police Boards, the Board received very few matches for the mandatory datasets, and of these, more than 70% related to retired police staff who had returned to work for the Board. Because the police pension scheme operates on personal contributions only, this is less relevant than for other bodies such as Councils. All matches, however, are being investigated, and there are now only 3 remaining to be cleared. No frauds or errors have been found, and we will review the outcome of the resolution of the remaining matches.

4.5.5 As the creditors data has only recently been uploaded to the web-based application, work on these matches is in its early stages. Our initial review of the online matches suggests that they may highlight problem areas within the creditor payment process, and we will continue to monitor progress.

## Governance

- 4.5.6 Board staff have taken a positive attitude to this exercise and have reviewed matches in depth where appropriate.



# Performance

## 5.1 Strategic Planning

- 5.1.1 Strategic planning is undertaken through the Force's three-year plan 'Platform for Success' which links the Strategic Plans for each of the eight business areas to the Department/ Business Unit Annual Delivery Plans. This was reviewed during 2006/2007 and progress against the objectives is subject to regular reporting to the Board and the Force Executive Board.
- 5.1.2 Budget Holders are asked to prepare annual Business Plans for their areas which include the budget requirements in line with the work priorities and objectives. As part of this process, each area is asked to detail any plans for efficiency gains, reviews or savings and bid for additional monies to fund growth.

## 5.2 Performance Management

- 5.2.1 Ongoing performance management is undertaken in a framework that involves Business Area Management teams, the Force Executive team and Members.

## 5.3 Efficient Government

- 5.3.1 All public sector bodies in Scotland are involved with the Scottish Executive's Efficient Government initiative. The initiative is designed to achieve cash and time-releasing savings over a five-year period through elimination of waste, bureaucracy and duplication.

- 5.3.2 The Board considers its Efficient Government activities within the budget setting processes. In addition, efficiency gains and changes in service provision have been identified from recent Best Value reviews. The efficiencies have been included in the savings recently reported to the Association of Chief Police Officers in Scotland (ACPOS) and will play a significant role in supporting ACPOS to meet future efficiency savings targets set for the next two years.
- 5.3.3 The actual savings for 2006/2007 against the targets set for the year show that the targets have been significantly exceeded as follows:

	Target 2006/2007 £m	Actual 2006/2007 £m
Cash Releasing	0.54	2.81
Non Cash Releasing	3.14	3.21
<b>Total Savings</b>	<b>3.68</b>	<b>6.02</b>

- 5.3.4 The cash-releasing savings include: £'000
- Procurement initiatives under sponsorship agreements 211
  - Better Procurement of photocopy paper 121
  - More effective travel arrangements and bookings 136
  - Civilianisation of crime file creation and evaluation 477
  - Enhanced use of SPCs 545



# Performance

5.3.5 The non-cash-releasing savings include:

	£'000
• Civilianisation of firearm licensing	323
• Civilianisation of crime file input and evaluation	518
• Enhanced use of SPCs	630
• Revision of summary justice from caution and charge to disposal	370
• Release of PC time from escort duties	236
• Journey time saved following introduction of airwave	211

## 5.4 Risk Management

5.4.1 The Risk Management Strategy document was approved in 2005/06. A Force risk register has been in place for 18 months. The Force has now completed an extensive review of all risks across each of the Business Areas and this has become an integral part of the business planning exercise. Separate risk registers are maintained by each of the business units within the Force. The individual risk registers are reviewed on a 6-monthly basis to consider any new risks or opportunities which may have arisen. This forms part of the Business Assessment process. The separate risks are consolidated into a unified document and those assessed as the most significant (categorised as 'significant' and 'unacceptable') are addressed by the Force Executive Board on a monthly basis as part of the Board's Governance procedures.

## 5.5 Statutory Performance Indicators (SPIs)

5.5.1 The 2006/2007 return to Audit Scotland for SPIs was made by the 31 July 2007 deadline. We concluded that the systems in operation for the production and publication of the SPIs were reliable for all indicators.

5.5.2 The Board's reported performance through the SPIs is summarised as follows:

### *Percentage of crimes cleared up*

SPIs show that the overall percentage of crimes cleared up has increased from the previous year to 41.7%, although this is still below the national average for 2005/2006 of 45.7%.



The most noticeable movements in the year are as follows:

- The percentage of housebreakings cleared up has increased by almost 4%, although this is partly due to the Forces intelligence-led approach and a decrease in the total number of housebreakings. For a number of years now, domestic housebreaking has become less attractive for criminals. Also,



# Performance

crime reductions initiatives, including the Safer Homes Partnership, have had a positive impact along with other target hardening measures.

- ❑ The percentage of car crimes cleared up has increased by almost 4%. This can be accounted for with the continued use of analytical assistance, a defined Crime Management Policy where crimes are investigated more thoroughly and having a seasonal proactive team to target the theft of Motor Bikes in particular areas and their use on and off road by offenders.

### ***Proportion of 999 calls answered within ten seconds***

In 2005/2006 the Board was able to answer 93.3% of all 999 calls within 10 seconds, which exceeded the national average of 88.5%. In 2006/2007 performance has reduced slightly, with the Force answering 89.9% of all 999 calls within 10 seconds, which still exceeds the Scotland average.

### ***Number of complaints per 100 members of the police force***

The number of complaints has increased in comparison with previous years to 11.9 per 100 members of the police force. This is in excess of the 2005/2006 national average of 10.8.

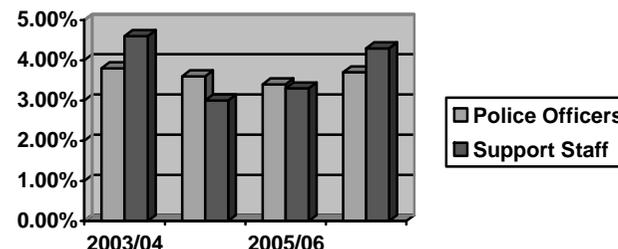
### ***Drug Offences***

Drug seizures have increased substantially in comparison to previous years with the weight of class A drug seizures increasing to 26kg, the quantity increasing to 5,934 no. and the volume increasing to 1,538ml. The number of drug offences has also increased by 12% to 586. This is due to far larger quantity of drugs on the streets than previous years, far more users/ dealers and law enforcement agencies have improved procedures for recovering drugs and prosecuting offenders by using

such methods as Intelligence Led policing and better sharing of information between various agencies.

### ***Proportion of working time lost due to sickness absence***

The level of sickness absence for both police officers and support staff has increased compared to previous years, although are both still below the national averages of 4.5% and 5.1% respectively, as shown below:



### ***Number of people killed or injured as a result of road accidents***

National targets were set for a reduction in those killed or injured as a result of road accidents by 2005/2006, using figures from 1994 to 1998 as a baseline. As at 2006/2007, the Board has partly met these targets with:

- ❑ a 31% reduction in the number of people killed or seriously injured (target 33%)
- ❑ a 41% reduction in the number of children killed or seriously injured (target 40%)
- ❑ a 24% reduction in slight injuries (target 10%)



## *Police Reports to the Children's Reporter and the Procurator Fiscal*

A national target of 10 working days after caution/ charge has been set for the time taken to submit police reports to the Children's Reporter. A target has also been set by the Crown Office and Procurator Fiscal Service and Association of Chief Police Officers Scotland that Forces should aim to report 80% of reports to the Procurator Fiscal within 28 calendar days.

The Board significantly increased its performance in this area over the last year, as follows:

- ❑ Police Reports to the Children's Reporter increased from 73.9% to 79.5%, although this is still below the 2005/2006 national average of 82.1%.
- ❑ Police Reports to the Procurator Fiscal increased from 68.3% to 80.6%, well in excess of the 2005/2006 national average of 55.3%.

## **5.6 Best Value Audits**

5.6.1 The Force has developed a sound approach to the Best Value review process and, in the last two years, has developed a systems approach to continuous improvement. This now ensures that frontline staff are involved throughout the review, including collecting the data and making recommendations for improvement. The transparency of the methodology and involvement of frontline staff has resulted in commitment from staff at all levels and Best Value is now viewed in a positive light.

## **5.7 HM Inspectorate of Constabulary for Scotland (HMIC)**

- 5.7.1 An HMIC primary inspection of Grampian Police was undertaken during 2005/2006. We were involved in the joint inspection process reviewing the financial and Best Value aspects of the Force.
- 5.7.2 The overall conclusion from the inspection was that Grampian Police were found to be efficient and effective, provides a high level of service to the people in the area it serves, that they show commitment, loyalty and a genuine sense of pride at all levels within the Force. Partnerships are established in each of the three local authority areas with a desire to make communities safer. The Force has good structures in place to aid effective leadership, internal communication and accountability.
- 5.7.3 The report identified 16 recommendations arising from the inspection. Some of these recommendations were not restricted to Grampian and were identified as impacting on wider strategies. Certain recommendations were aimed at ACPOS who are best placed to address these nationally.
- 5.7.4 The report also noted 12 examples of good practice, most if not all are transferable to other Forces or police organisations.
- 5.7.5 The Force has made good progress in completing the recommendations and an update has recently been reported to the Force Executive Board.

## Appendix I – Respective Responsibilities

### Respective Responsibilities of Members, Officers and Auditors

Each public sector body is accountable for the way in which it has discharged its stewardship of public funds. Stewardship is a function of both executive and non-executive management and, therefore, responsibility for effective stewardship rests upon both Members and officers of a public sector body.

That responsibility is discharged primarily by the establishment of sound arrangements and systems for the planning, appraisal, authorisation and control over the use of resources and by the preparation, maintenance and reporting of accurate and informative accounts.

It is our responsibility to undertake an independent appraisal of the discharge by management of its stewardship responsibilities, to enable us to give an assurance that those responsibilities have been reasonably discharged.

The Board and the Treasurer's responsibilities for the Statement of Accounts are set out on page 8 of the annual statement of accounts. Our responsibility is to form an independent opinion, based on our audit, on the abstract of accounts and report that opinion to you.

We are required to review whether the Board's Statement on the System of Internal Financial Control complies with the requirements of the Code of Practice for Local Authority Accounting in the United Kingdom 2006, a Statement of Recommended Practice (the 2006 SORP) and report any exceptions. We are also required to review the statement and report if it is misleading or inconsistent with other information we are aware of from our audit of the financial statements.

We are not required to give an opinion on the effectiveness of the Board's internal financial controls.

