

Annual Governance Report

Cheshire Fire Authority

Audit 2007/08

Date **12 September 2008**

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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.

Summary

Key messages

- 1 Our work on the 2007/08 audit is substantially complete. We propose to issue unqualified opinions on the Authority's financial statements and its arrangements for securing economy, efficiency and effectiveness in the use of resources by 30 September 2008.

Financial statements

- 2 In previous years we recommended that the Authority improve its own quality assurance arrangements for the financial statements and also improve the working papers provided to support the accounts. These improvements are important to enable our audit to be conducted more efficiently and also to reduce the level of errors identified during the audit. The Treasurer and his team have responded positively and proactively to these recommendations and better standards of financial reporting were achieved in 2007/08. In particular, effective action has been taken in response to last year's recommendations that stock accounting and bank reconciliation processes should be strengthened.
- 3 The financial statements submitted for audit contained one material error relating to the backdating of fire-fighter pension payments and this has been adjusted. The government circular requiring this adjustment was not issued until May 2008. There are two significant errors which have not been corrected. These relate to the incorrect inclusion of purchase order accruals of £178,000 and understatement of the payroll accrual by some £222,000. These amounts are not material and we understand why the Treasurer has not made amendments to the accounts. The financial statements were generally well supported by working papers
- 4 The Treasurer has adjusted the financial statements to correct all other minor errors and omissions we identified.

Value for Money

- 5 The Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources are effective. We have not identified any significant issues to report to you. The Authority's overall arrangements for setting priorities, allocating funds to enable delivery of priorities and monitoring to ensure that value for money is achieved are good.

Next steps

- 6 We ask the Policy Committee to:
 - consider the matters raised in this report;
 - approve the representation letter on behalf of the Authority before we issue our opinion, conclusion and certificate concluding the audit; and
 - agree the proposed actions.



Financial statements and Annual Governance Statement

- 7 The Authority's financial statements and Annual Governance Statement are an important means by which the Authority accounts for its stewardship of public funds. As members you have final responsibility for the Authority's financial statements and its Annual Governance Statement. It is therefore important that you take our findings into account before you consider adjustments which are required to the financial statements.
- 8 In planning our audit we identified specific risks and areas of judgement that we have focused on during our audit. We report to you the findings of our work in those areas.
- 9 In addition, auditing standards require us to report to you:
 - the draft representation letter which we are asking management and you to sign;
 - our views about the Authority's accounting practices and financial reporting;
 - errors in the financial statements;
 - weaknesses in internal control
 - other matters: and
 - any expected modification to our report;

Key areas of judgement and audit risk

- 10 We identified specific audit risks and areas of judgement when we produced the audit plan in May 2007 and subsequently as the audit has progressed. We have set out the main issues in Table 1 below together with a note of how these have been addressed during the audit.

Table 1 Audit risks and areas of judgement

Risk or judgement	Finding
Significant changes to the statement of recommended practice (SORP) in relation to the preparation of the financial statements for 2007/08.	Main requirements of the SORP have been met. Revisions and additions to the notes in relation to financial instruments have been made to the statement of accounts
The Authority has experienced difficulties with its payroll provider and in implementing effective controls in the payroll system.	In view of the control weaknesses, the payroll costs included within the financial statements have been substantively tested. Our testing is still in progress.
The classification of expenditure between	A new basis for classifying expenditure

Risk or judgement	Finding
community safety and operational activity in the income and expenditure account is inadequately supported and potentially materially misstated	was introduced for 2007/08 and the reported amounts in the financial statements are fairly stated.
Controls within the fixed asset system are ineffective.	In view of the control weaknesses, the fixed assets balance included within the financial statements has been substantively tested. The conclusion from the testing was that the balance was materially correct. Two trivial errors were identified, which have both been corrected by the Treasurer.

Recommendation

R1 Strengthen arrangements for ensuring that future financial statements are prepared in accordance with the SORP

Draft representation letter

- 11 Before we issue our opinion, auditing standards require us to obtain from you and management, written representations that:
- you acknowledge your collective responsibility for preparing financial statements in accordance with the applicable financial reporting framework;
 - you have approved the financial statements;
 - you acknowledge your responsibility for the design and implementation of internal controls to prevent and detect fraud and error;
 - you have told us the results of your assessment of the risk that the financial statements might be materially misstated because of fraud;
 - you have told us any actual or suspected fraud by management, employees with significant roles in internal control or others (where the fraud could have a material impact on the financial statements);
 - you have told us of any allegations of fraud, or suspected fraud, affecting the financial statements communicated by employees, former employees, regulators or others;
 - you have told us about all known actual or possible non-compliance with laws and regulations whose effects should be considered when preparing financial statements;

Financial statements and Annual Governance Statement

- you have assessed the reasonableness of significant assumptions, including whether they appropriately reflect management's intent and ability to carry out specific courses of action on behalf of the Authority where relevant to the fair value measurements or disclosures;
- you are satisfied that all related parties requiring disclosure in the financial statements have been disclosed and that the disclosure is adequate;
- you are satisfied that the individual or collective impact of errors we have identified, but that you have not corrected, is not material; and
- cover areas where other sufficient appropriate evidence cannot reasonably be expected to exist, for example the completeness of the disclosure of contingent liabilities

12 The letter of representation is attached as a draft at Appendix 1.

Accounting policies and financial reporting

13 We have considered the qualitative aspects of your financial reporting and we have just one issue to raise with you. The Treasurer has agreed to make some changes to the Annual Governance Statement to further assist the reader's understanding of the governance framework.

Errors in the financial statements

14 We are required to bring to your attention misstatements in the financial statements where we consider them to be relevant to your wider governance responsibilities. We wish to draw your attention to the following matters this year.

15 The Treasurer has agreed to adjust the financial statements for one material error and other errors of a non material nature. The material error related to the non disclosure of backdated lump sum pensions due to fire-fighters. The Government circular informing fire authorities of the changes to lump sums payable was not issued until late May 2008. The Pension Fund statement has been adjusted to show the value of backdated lump sum pension payments of £0.47M and other adjustments have been made based on a revised actuarial valuation. There has been no adjustment to the general fund balance as a result of the changes made to the accounts.

16 There are two unadjusted non trivial errors, details of which are included in the table below

Table 2 Unadjusted errors

Accounting area	Finding
Purchase order accruals	Accruals overstated by £178,000 which means that both creditors and expenditure are overstated by this amount
Payroll accruals	Accruals are understated by £222,000 which means that creditors and

Accounting area	Finding
	expenditure are understated by this amount

- 17 The Treasurer is taking action to address the underlying issues which have resulted in these uncorrected errors. We understand the reasons why adjustments can not be made and have agreed with the Treasurer that they will remain uncorrected. All adjusted and unadjusted errors are included in the schedule at Appendix 2.

Recommendation

- R2** Strengthen arrangements for determining accruals at the year end.

Material weaknesses in internal control

- 18 We have identified weaknesses in the design or operation of internal controls that might result in a material error in your financial statements which has not been reported to you. These weaknesses are set out in Table 3 below.

Table 3 Weaknesses in internal control

Issue	Finding
Payroll system controls	There is a lack of high level controls over checking the outputs from the payroll provider against the information submitted to them for processing.
Creditors control account	At last year's audit we recommended that creditor control accounts should be produced. Progress has been made towards achieving this but there was no listing of individual creditor balances at 31 March 2008 to support the balance sheet figure of £312,556. The listing is a key feature of the reconciliation process.

Recommendation

R3 Monitor the implementation of effective payroll controls and review the outcome from the internal audit review of the payroll system

R4 Monitor the process for regularly preparing and checking control accounts

19 We have not provided a comprehensive statement of all weaknesses which may exist in internal control, nor of all improvements which may be made. We have reported only those matters which have come to our attention because of the audit procedures we have performed.

Other matters

20 There are no other matters that auditing standards require us to report to you.

The audit report

21 We plan to issue an unmodified report including an unqualified opinion on the financial statements. A copy of our draft audit report is provided at Appendix 3.

Value for money

- 22** We are required to conclude whether the Authority has put in place adequate corporate arrangements for securing economy, efficiency and effectiveness in its use of resources. We assess your arrangements against twelve criteria specified by the Audit Commission. Our conclusion is informed by our Use of Resources assessment which was reported to the Authority earlier this year
- 23** We have assessed the arrangements of the Authority as adequate in all twelve areas and we therefore propose to issue an unqualified conclusion.
- 24** In a number of areas the Authority performs well. For example:
- There are good arrangements in place for setting, reviewing and implementing corporate objectives.
 - Performance management and appraisal systems are operating effectively and all managers have value for money objectives.
 - There are good arrangements in place for consulting with service users and the Authority engages well with 'hard to reach' communities including minority and vulnerable groups.
 - There are regular checks on performance which enable early warning of slippage against targets.
 - There are appropriate processes in place to manage and improve vfm. Finance and performance information is now reported together to provide a more holistic view of achievement
- 25** One of the significant challenges faced by the Authority over the next year is to ensure that it maintains strong governance, performance and partnership working arrangements as existing authorities in Cheshire demise and the two new councils are formed on 1 April 2009.

Formal audit powers

26 We have:

- a power to issue a public interest report. We do so where we believe this is necessary to draw a matter to your attention, or to that of the public;
- a power to apply to court for a declaration that an item in the Authority's accounts is contrary to law;
- a power to issue an advisory notice. An advisory notice requires the Authority to meet and consider the notice before:
 - making a decision that might give rise to unlawful expenditure; or
 - taking an unlawful course of action that would give rise to a loss; or
 - making unlawful entry in the accounts; and
- a power to seek judicial review of a decision of the Authority.

27 We have not and do not propose to exercise these powers in respect of our 2007/08 audit.

Independence

- 28 The Code of Audit Practice and the APB’s Ethical Standards with which auditors must comply require that auditors act, and are seen to act, with integrity, objectivity and independence.
- 29 We confirm that we comply with the APB’s Ethical Standards, that we are independent and that our objectivity is not compromised.
- 30 We communicate to you:
- our arrangements to ensure independence and objectivity
 - any relationships between us and the Authority, its members and senior management that might affect our objectivity and independence and any safeguards put in place;
 - total fees charged to you for audit and non-audit services; and

Our arrangements to ensure independence and objectivity

- 31 We have comprehensive procedures to ensure independence and objectivity. These are outlined in Table 4.

Table 4 Arrangements to ensure independence and objectivity

Area	Arrangements
Independence policies	<p>Our policies and procedures ensure that professional staff or an immediate family member:</p> <ul style="list-style-type: none"> do not hold a financial interest in any of our audit clients; may not work on assignments if they have a financial interest in the client or a party to the transaction or if they have a beneficial interest in a trust holding a financial position in the client; and may not enter into business relationships with UK audit clients or their affiliates. <p>Our procedures also cover the following topics and can be provided to you on request:</p> <ul style="list-style-type: none"> • the general requirement to carry out work independently and objectively; • safeguarding against potential conflicts of interest; • acceptance of additional (non-audit) work; • rotation of key staff; • other links with audited bodies; • secondments;

Independence

Area	Arrangements
	<ul style="list-style-type: none"> • membership of audited bodies; • employment by audited bodies; • political activity; and • gifts and hospitality.
Code of Conduct	The Code of Conduct forms part of the terms and conditions of all Audit Commission employees. The Code of Conduct states that staff have to comply with ethical guidance issued by their relevant professional bodies.
Confidentiality	All staff are required to sign an annual undertaking of confidentiality as a condition of employment.

Relationships with the Authority

32 We have identified the following relationships that might affect objectivity and independence and have put appropriate safeguards in place.

Table 5 Relationships and safeguards

Relationship	Safeguard
Judith Tench, the District auditor, is married to the Director for Local Governance at the centre for educational leadership at the University of Manchester. His primary role is to lead on the strategic development and management of local government development programmes. The centre is contracted to work with the North West Improvement network.	This relationship has been reviewed against the ethical standards issued by the APB and with the Audit Commission's own requirements set out in the Code of audit practice. The Audit Commission has concluded that it does not affect her independence and objectivity as district auditor.
Paul Vaughan, the Authority's Finance Manager, was an employee of the Audit Commission and was working in the Cheshire area prior to his appointment with the Authority in May 2008.	We have reviewed this relationship against the ethical standards issued by the APB and with the Audit Commission's own requirements set out in the Code of audit practice. We have concluded that it does not affect the audit team's independence and objectivity. However specific internal review measures have been introduced for 2007/08 to ensure that our independence has been maintained.

Audit fees

33 We reported our fee proposals as part of the Audit Plan for 2007/08. The table below reports the outturn fee against that plan.

Table 6 Audit fees

	Plan 2007/08	Actual 2007/08
Financial statements and Annual Governance Statement	32,746	32,746
Value for Money	24,530	24,530
National Fraud Initiative	350	350
Total Audit Fees	57,626	57,626
Inspection fee (met with CLG grant)	14,881	14,881

34 The analysis above shows that we contained our audit fee within the totals you have already agreed.

Appendix 1 – Draft letter of representation

September 2008

Judith Tench
District Auditor
The Audit Commission,
The Heath Business and Technical Park,
Runcorn,
Cheshire.
WA7 4QF

Dear Mrs Tench

Cheshire Fire Authority - Audit for the year ended 31 March 2008

I confirm to the best of my knowledge and belief, having made appropriate enquiries of other officers of Cheshire Fire Authority, the following representations given to you in connection with your audit of the Authority's financial statements for the year ended 31st March 2008. All representations cover the Authority accounts and Pension Fund accounts included within the financial statements.

Compliance with the statutory authorities

I acknowledge my responsibility under the relevant statutory authorities for preparing the financial statements in accordance with the Code of Practice for Local Authority Accounting in the United Kingdom: A Statement of Recommended Practice which present fairly the financial position and financial performance of the Authority and for making accurate representations to you.

Uncorrected misstatements

I confirm that I believe that the effects of the uncorrected financial statements misstatements listed in the attached schedule are not material to the financial statements, either individually or in aggregate. These misstatements have been discussed with those charged with governance within the Authority and the reasons for not correcting these items is that the work required to accurately determine the correction is ongoing and appropriate adjustments will be made in the 2008/09 accounts.

Supporting records

All the accounting records have been made available to you for the purpose of your audit and all the transactions undertaken by the Authority have been properly reflected and recorded in the accounting records. All other records and related information, including minutes of all Authority meetings, have been made available to you.

Irregularities

I acknowledge my responsibility for the design and implementation of internal control systems to prevent and detect fraud or error.

To the best of my knowledge there have been no:

- irregularities involving management or employees who have significant roles in the system of internal accounting control;
- irregularities involving other employees that could have a material effect on the financial statements; or
- communications from regulatory agencies concerning non-compliance with, or deficiencies on, financial reporting practices which could have a material effect on the financial statements.

I also confirm that I have disclosed:

- my knowledge of fraud, or suspected fraud, involving either management, employees who have significant roles in internal control or others where fraud could have a material effect on the financial statements; and
- my knowledge of any allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, analysts, regulators or others.

Law, regulations, contractual arrangements and codes of practice

There are no instances of non-compliance with laws, regulations and codes of practice, likely to have a significant effect on the finances or operations of the Authority.

The Authority has complied with all aspects of contractual arrangements that could have a material effect on the financial statements in the event of non-compliance. There has been no non-compliance with requirements of regulatory authorities that could have a material effect on the financial statements in the event of non-compliance.

Assets

The following have been properly recorded and, where appropriate, adequately disclosed in the financial statements:

- losses arising from sale & purchase commitments;
- agreements & options to buy back assets previously sold; and
- assets pledged as collateral.

Compensating arrangements

There are no formal or informal compensating balancing arrangements with any of our cash and investment accounts.

Contingent liabilities

There are no other contingent liabilities, other than those that have been properly recorded and disclosed in the financial statements. In particular:

- there is no significant pending or threatened litigation, other than those already disclosed in the financial statements;

Appendix 1 – Draft letter of representation

- there are no material commitments or contractual issues, other than those already disclosed in the financial statements; and
- no financial guarantees have been given to third parties, other than those already disclosed in the financial statements.

Related party transactions

I confirm the completeness of the information disclosed regarding the identification of related parties.

The identity of, and balances and transactions with, related parties have been properly recorded and where appropriate, adequately disclosed in the financial statements

Post balance sheet events

Since the date of approval of the financial statements by the Authority, no additional significant post balance sheet events that have occurred which would require additional adjustment or disclosure in the financial statements.

Signed on behalf of Cheshire Fire Authority

I confirm that this letter has been discussed and agreed by the Authority on 17 September 2008.

Darren Griffiths
Treasurer and Head of Finance

Date

Tony Hooton
Chairman – Policy Committee

Date

Appendix 2 – Schedule of Adjusted and Unadjusted errors

35 The unadjusted and adjusted errors identified during the audit and shown below in tables 7 and 8 respectively:

Table 7 Unadjusted Errors

Description of error	Value £'000
Duplicate revenue expenditure purchase orders have been incorrectly included within the creditors balances. A significant portion of these were reviewed and the error was extrapolated.	178
Payroll accruals within the creditors balance are understated when compared to the known liabilities at the year end.	222

Table 8 Adjusted errors

Description of error	Value £'000
The original actuarial valuation of the FRS17 liability for Fire-fighters had been prepared using the lump sum retirement factors in force at the time. These were subsequently revised by the Home Office and a revised valuation was calculated, resulting in the original liability being understated	3,500
Omission of adjustment to reflect requirement to make back dated lump sum payments to fire-fighters	475
Intangible fixed asset additions were incorrectly classified as tangible fixed asset additions	132
Interest accrued on investments held at the year end was incorrectly classified within Debtors on the balance sheet	288
Duplicate capital expenditure purchase orders have been incorrectly included within the creditors balances.	72
Debtors balance was understated when compared to invoices raised in 2008/09	32

Appendix 2 – Schedule of Adjusted and Unadjusted errors

Description of error	Value £'000
A timing difference on the business visa account resulted in the year end balance being incorrectly excluded from creditors and expenditure	3
A timing difference on the imprest accounts resulted in the year end balance being incorrectly excluded from creditors and expenditure	1
Payments returned unpaid by the bank were not recorded in the financial ledger, pending resolution by the payroll provider	2
Finance lease repayment incorrectly treated in the financial statements	7
A late amendment to the fixed asset register for depreciation was not reflected in the financial statements	9
Input tax was incorrectly reclaimed on a car purchased during the year	5
The balance of Debtors greater than 1 year old disclosed in the note to the accounts did not agree back to supporting documentation	5
Interest paid in 2008/09 but largely relating to 2007/08 has not been included in the creditors balance	10
Creditor balance in respect of one supplier was understated when compared to the payment made to the supplier at the start of 2008/09	3

Appendix 3 – Draft independent auditor's report to the Members of Cheshire Fire Authority

Opinion on the financial statements

I have audited the accounting statements, the firefighters' pension fund accounting statements and related notes of Cheshire Fire Authority for the year ended 31 March 2008 under the Audit Commission Act 1998. The accounting statements comprise the Income and Expenditure Account, Statement of Movement on the General Fund Balance, Balance Sheet, Statement of Total Recognised Gains and Losses, Cash Flow Statement, and the related notes. The firefighters' pension fund accounting statements comprise the Fund Account, the Net Assets Statement and the related notes. The financial statements and firefighters' pension fund accounting statements have been prepared under the accounting policies set out within them.

This report is made solely to the members of Cheshire Fire Authority 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 Treasurer and auditor

The Treasurer's responsibilities for preparing the financial statements, including the firefighters' pension fund accounting statements, in accordance with applicable laws and regulations and the Statement of Recommended Practice on Local Authority Accounting in the United Kingdom 2007 are set out in the Statement of Responsibilities.

My responsibility is to audit the accounting 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 accounting statements, the firefighters' pension fund accounting statements and related notes present fairly, in accordance with applicable laws and regulations and the Statement of Recommended Practice on Local Authority Accounting in the United Kingdom 2007:

- the financial position of the Authority and its income and expenditure for the year; and
- 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.

I review whether the governance statement reflects compliance with 'Delivering Good Governance in Local Government: A Framework' published by CIPFA/SOLACE in June 2007. I report if it does not comply with proper practices specified by CIPFA/SOLACE or if

Appendix 3 – Draft independent auditor's report to the Members of Cheshire Fire Authority

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 governance statement covers all risks and controls. Neither am I 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 accounting statements, the firefighters' pension fund accounting statements and related notes and consider whether it is consistent with the audited accounting statements, the firefighters' pension fund accounting statements and related notes. This other information comprises the Explanatory Foreword. I consider the implications for my report if I become aware of any apparent misstatements or material inconsistencies with the accounting statements, the firefighters' pension fund accounting statements and related notes. 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 accounting statements, the firefighters' pension fund accounting statements and related notes. It also includes an assessment of the significant estimates and judgments made by the Authority in the preparation of the accounting statements, the firefighters' pension fund accounting statements and related notes, 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 accounting statements, the firefighters' pension fund accounting statements and related notes 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 accounting statements, the firefighters' pension fund accounting statements and related notes.

Opinion

In my opinion:

- The accounting statements and related notes present fairly, in accordance with applicable laws and regulations and the Statement of Recommended Practice on Local Authority Accounting in the United Kingdom 2007, the financial position of the Authority as at 31 March 2008 and its income and expenditure for the year then ended; and
- The firefighters' pension fund accounting statements present fairly, in accordance with the Statement of Recommended Practice on Local Authority Accounting in the United Kingdom 2007, the financial transactions of the firefighters' pension fund during the year ended 31 March 2008 and the amount and disposition of the fund's assets and liabilities as at 31 March 2008, other than liabilities to pay pensions and other benefits after the end of the scheme year.

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 regularly to review the adequacy and effectiveness of these arrangements.

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 fire 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.

Conclusion

I have undertaken my audit in accordance with the Code of Audit Practice and having regard to the criteria for fire authorities specified by the Audit Commission and published in December 2006, I am satisfied that, in all significant respects, Cheshire Fire Authority made proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ending 31 March 2008.

Best Value Performance Plan

I have issued our statutory report on the audit of the authority's best value performance plan for the financial year 2007/08 on 19 December 2007. 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.

Judith Tench
District Auditor

The Heath Business & Technical Park, Runcorn, Cheshire, WA7 4QX
17 September 2008