

Annual governance report

South Ribble Borough Council

Audit 2011/12



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Key messages

This report summarises the findings from the 2011/12 audit which is substantially complete. It includes the messages arising from my audit of your financial statements and the results of the work I have undertaken to assess your arrangements to secure value for money in your use of resources.

Financial statements

My work is substantially complete and I expect to issue an unqualified audit opinion by 30 September 2012.

I have identified a small number of errors, none of which impact on the overall financial position of the Council. All errors have been amended for. The accounts were again supported by good working papers and I am pleased to note the excellent responses to queries. This is a significant achievement for the Finance Team against the backdrop of implementing a new general ledger system, supporting the development of significant savings and the demand for on-going budget monitoring information.

Value for money (VFM)

I expect to conclude that you have made proper arrangements to secure economy, efficiency and effectiveness in your use of resources.

The Council has again achieved significant efficiency savings whilst delivering well against its performance targets. The Council exceeded its savings target for 2011/12 and is making good progress in securing the required levels of savings for 2012/13. In line with others, the Council faces considerable uncertainty over the next few years from the impact of economic conditions on the demand for the services it provides, centrally driven changes around welfare reform and NNDR changes.

In this context, the key challenge for the Council is to ensure the continued identification and delivery of significant financial savings whilst also meeting local needs for the services it provides. Its response to the current financial climate together with its track record, indicate it is well placed to meet this challenge.

Before I give my opinion and conclusion

My report includes only matters of governance interest that have come to my attention in performing my audit. I have not designed my audit to identify all matters that might be relevant to you.

Independence

I can confirm that I have complied with the Auditing Practices Board's ethical standards for auditors, including ES 1 (revised) - Integrity, Objectivity and Independence.

I am not aware of any relationships that may affect the independence and objectivity of the Audit Commission, the audit team or me, that I am required by auditing and ethical standards to report to you.

The Audit Commission's Audit Practice has not undertaken any non-audit work for the Authority during 2011/12.

I ask the Governance Committee to:

- take note of the adjustments to the financial statements included in this report (Appendix 2); and
- approve the letter of representation (Appendix 3), on behalf of the Authority before I issue my opinion and conclusion.

Financial statements

The Authority's financial statements and annual governance statement are important means by which the Authority accounts for its stewardship of public funds. As elected Members you have final responsibility for these statements. It is important that you consider my findings before you adopt the financial statements and the annual governance statement.

Opinion on the financial statements

I plan to issue an audit report including an unqualified opinion on the financial statements. Appendix 1 contains a copy of my draft audit report.

Uncorrected errors

There are no uncorrected errors.

Corrected errors

The Council continues to prepare its accounts well, supported by good working papers. We have identified a small number of errors in the accounts all of which have been amended by the Council. Most of the amendments have been agreed to improve the accuracy, clarity and internal consistency of the disclosure notes within the financial statements. A small number of amendments have been agreed which impact on the principal financial statements. The material amendments made are summarised in Appendix 2. None of the amendments have affected the overall financial position of the Council.

Significant risks and my findings

I reported to you in my 2011/12 Audit Plan the significant risks that I identified relevant to my audit of your financial statements. In Table 1 I report to you my findings against each of these risks.

Table 1: Risks and findings

Risk identified in the 2011/12 Audit Plan	Finding
<p>Valuation of property, plant and equipment and investments</p> <p>The Council had property, plant and equipment and investment assets valued at £40.2m, (as at 31/3/2011). Valuation of these assets is undertaken by qualified valuers on the instructions of the Council. The nature of such valuations involves a high degree of subjectivity in many cases. There is therefore an inherent risk that the valuation reported in the financial statements will be materially misstated.</p>	<p>During the year I have reviewed and evaluated the controls over establishing estimates, including arrangements for instructing your valuer as well as your procedures for reliance on the work of the valuer.</p> <p>Testing of detail on valuations and associated depreciation calculations has not highlighted any errors.</p> <p>My testing has not identified any issues to bring to your attention.</p>
<p>IAS 19 (Pensions liability)</p> <p>The Council has a net pensions liability as at 31 March 2011 of £21.090m. This liability represents the extent to which the present value of liabilities exceeds the fair value of assets. This has a substantial impact on the net worth of the authority as recorded in the Balance Sheet.</p> <p>Liabilities have been assessed on an actuarial basis using the projected unit credit method, an estimate of the pensions that will be payable in future years dependent on assumptions about mortality rates, salary levels etc. The liabilities have been assessed by Mercers, an independent firm of actuaries, using the latest full valuation of the scheme as at 31 March 2010 adjusted for current information about membership numbers, current pay levels etc. The resultant estimated figures involve a high degree of subjectivity and small changes in the assumptions used can have a material impact on the financial statements.</p>	<p>I reviewed and tested controls over the accuracy and completeness of information provided by the pension fund to Mercers. I have relied on work completed by the pension fund's external auditor to help me to do this. I have evaluated the work of Mercers using an expert commissioned by the Audit Commission for this purpose. I have tested the entries within the Council's financial statements and disclosure notes to ensure they agree to the information provided by Mercers. My testing has not identified any issues to bring to your attention.</p>

Risk identified in the 2011/12 Audit Plan

Upgrade of the Council's general ledger system

The Council's general ledger and the related modules for accounts payable and receivable were upgraded from April 2011. This has also involved moving to a new coding structure for the Council's accounts. Any significant change to the main underlying system for the Council's accounts represents an inherent risk of material inaccuracy

Additionally for 2011/12, the traditional Best Value Accounting Code of Practice (BVACOP) format of the Comprehensive Income and Expenditure Statement has been revised and updated to keep pace with the new IFRS-based Code of Practice on Local Authority Accounting in the United Kingdom (the Code). It has been renamed Service Reporting Code of Practice for Local Authorities (SeRCOP).

Both of these changes raise a risk of mis-classification of items within the statement of accounts.

Finding

I have assessed your management controls and arrangements around the implementation of the new ledger system. I am satisfied that appropriate arrangements were in place and were adopted leading to the successful implementation of the new system. I have completed controls testing and detailed testing of the general ledger including reviewing the transfer of balances across from the old to the new system. I have completed tests of detail to ensure the correct classification of items of income and expenditure.

My testing has not identified any systematic controls issues to bring to your attention. However, Appendix 2 highlights the amendment to the accounts in respect of a mis-classification of Council Tax income and expenditure within the Comprehensive Income and Expenditure Account.

Significant weaknesses in internal control

It is the responsibility of the Council to develop and implement systems of internal financial control and to put in place proper arrangements to monitor their adequacy and effectiveness in practice. My responsibility as your auditor is to consider whether the Council has put adequate arrangements in place to satisfy itself that the systems of internal financial control are both adequate and effective in practice.

I have tested the controls of the Council only to the extent necessary for me to complete my audit. I am not expressing an opinion on the overall effectiveness of internal control. I have reviewed the Annual Governance Statement and can confirm that:

- it complies with the requirements of CIPFA/SOLACE Delivering Good Governance in Local Government Framework; and
- it is consistent with other information that I am aware of from my audit of the financial statements.

Other matters

I am required to communicate to you significant findings from the audit and other matters that are significant to your oversight of the Council's financial reporting process including the following:

- Qualitative aspects of your accounting practices – including accounting policies, accounting estimates and financial statement disclosures.
- Matters specifically required by other auditing standards to be communicated to those charged with governance, for example, issues about fraud, compliance with laws and regulations, external confirmations and related party transactions.
- Other audit matters of governance interest - these include significant difficulties, significant matters that were discussed, or subject to correspondence, with management.

The accounts include a note summarising any related party transactions the Council has undertaken during the year (Note 38). In order to accurately complete the note, the Council should run a creditors report to identify any transactions in respect of interests declared by Members and Officers. I reported last year that this report had not been run and again this year a similar report had not been produced. This has now been subsequently done confirming no material related party transactions.

It is important that agreed prior year recommendations are considered each year as part of the following years closedown plan.

Whole of Government Accounts

Alongside my work on the financial statements, I also review and report to the National Audit Office on your Whole of Government Accounts return. I expect to complete my report by 28 September 2012.

Value for money

I am required to conclude whether the Authority put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources. This is the value for money conclusion.

I assess your arrangements against the two criteria specified by the Commission. I have set out below my conclusion including the findings of my work addressing each of the risks I identified.

I intend to issue an unqualified conclusion stating that the Council has proper arrangements to secure economy, efficiency and effectiveness in the use of its resources. I include my draft conclusion in Appendix 1.

Table 1: **Value for money conclusion criteria and my findings**

Criteria	Findings
<p>1. Financial resilience</p> <p>The organisation has proper arrangements in place to secure financial resilience.</p> <p>Focus for 2011/12:</p> <p>The organisation has robust systems and processes to manage effectively financial risks and opportunities, and to secure a stable financial position that enables it to continue to operate for the foreseeable future.</p>	<ul style="list-style-type: none">■ The Council continues to demonstrate a strong track record of delivering tough decisions and identifying and achieving efficiencies across a wide range of service areas. During 2011/12 South Ribble set itself a challenging target to find savings of £1.819m. This was exceeded with efficiencies of £1.838m delivered across pay and non pay areas. The key areas contributing towards this figure being business ICT (£112,000), Shared Revenues and Benefits (£220,000), review of Community Involvement (£223,000) and a base budget review across all services (£104,000).■ The Council's medium-term financial planning and annual budgeting process focuses not just on the short term period but reflects the strategic objectives and priorities for the year, and

Criteria

Findings

over the longer term. The Council continues to demonstrate effective medium term financial planning. The implications of the current economic climate have been assessed within the Council's Finance Strategy which covers the period 2011/12 – 2014/15.

- The organisation operates within a sound level of reserves and balances which is appropriate to the strategic, operational and financial risks facing the Council. The level of balances achieved over several years is as a result of sound financial management at the Council, as well an ability to challenge existing traditional ways of working.

Going forward the Council is not alone in having to face huge challenges to maintain quality services within a tight financial climate. Early consideration has already taken place regarding the change to National Business Rate and Council Tax Support funding. Plans are in place to deliver further efficiencies during 2012/13 of £643,000 and good progress is already being made.

2. Securing economy efficiency and effectiveness

The organisation has proper arrangements for challenging how it secures economy, efficiency and effectiveness.

Focus for 2011/12:

The organisation is prioritising its resources within tighter budgets, for example by achieving cost reductions and by improving efficiency and productivity.

- Strong leadership has enabled the Council to deliver the scale of the spending reductions required of it. The cost-effectiveness of its activities is frequently challenged by both officers and members who actively work well together.
- The Council has actively engaged with local residents and front-line staff to identify local priorities for spending. The 2012/13 budget proposals saw meetings held with members of the public around plans for budget proposals. Indeed consultation has already started with members around changes to the Council Tax Support scheme. The Council is already making progress towards its 2013/14 budget. Cabinet budget workshops are already planned for October and away days have been held to identify potential areas of further efficiency going forward. Extensive work continues to be done to evaluate and consider

Criteria**Findings**

new ways to delivering services. Numerous examples exist where the Council through its work with partners has improved services. Its arrangement with SERCO in delivering leisure services has seen increased investment and a 22% increase in attendances across South Ribble Leisure Centres. Close working with Chorley Borough Council for its Shared Financial Services and joint procurement exercises has also delivered benefits.

Fees

I reported my planned audit fee in the 2011/12 Audit Plan.

In my 2011/12 Audit Plan I reported that my audit fee for 2011/12 would be £96,106. I am pleased to report that I have completed my audit within the planned fee.

Appendix 1 – Draft independent auditor’s report

INDEPENDENT AUDITOR’S REPORT TO THE MEMBERS OF SOUTH RIBBLE BOROUGH COUNCIL

Opinion on the Authority financial statements

I have audited the financial statements of South Ribble Borough Council for the year ended 31 March 2012 under the Audit Commission Act 1998. The financial statements comprise the Movement in Reserves Statement, the Comprehensive Income and Expenditure Statement, the Balance Sheet, the Cash Flow Statement and Collection Fund and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2011/12.

This report is made solely to the members of South Ribble Borough Council in accordance with Part II of the Audit Commission Act 1998 and for no other purpose, as set out in paragraph 48 of the Statement of Responsibilities of Auditors and Audited Bodies published by the Audit Commission in March 2010.

Respective responsibilities of the Chief Financial Officer and auditor

As explained more fully in the Statement of the Chief Financial Officer Responsibilities, the Chief Financial Officer is responsible for the preparation of the Statement of Accounts, which includes the financial statements, in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom, and for being satisfied that they give a true and fair view. My responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require me to comply with the Auditing Practices Board’s Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Authority’s circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the; a Chief Financial Officer and the overall presentation of the financial statements. In addition, I read all

the financial and non-financial information in the explanatory foreword to identify material inconsistencies with the audited financial statements. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my report.

Opinion on financial statements

In my opinion the financial statements:

- give a true and fair view of the financial position of South Ribble Borough Council as at 31 March 2012 and of its expenditure and income for the year then ended; and
- have been prepared properly in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2011/12.

Opinion on other matters

In my opinion, the information given in the explanatory foreword for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which I report by exception

I report to you if:

- in my opinion the annual governance statement does not reflect compliance with 'Delivering Good Governance in Local Government: a Framework' published by CIPFA/SOLACE in June 2007;
- I issue a report in the public interest under section 8 of the Audit Commission Act 1998;
- I designate under section 11 of the Audit Commission Act 1998 any recommendation as one that requires the Authority to consider it at a public meeting and to decide what action to take in response; or
- I exercise any other special powers of the auditor under the Audit Commission Act 1998.

I have nothing to report in these respects

Conclusion on Authority's arrangements for securing economy, efficiency and effectiveness in the use of resources

Respective responsibilities of the Authority and the auditor

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 review regularly the adequacy and effectiveness of these arrangements.

I am required under Section 5 of the Audit Commission Act 1998 to satisfy myself that the Authority has made proper arrangements 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 relating to proper arrangements, having regard to relevant criteria specified by the Audit Commission.

I report if significant matters have come to my attention which prevent me from concluding that the Authority has put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources. 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.

Scope of the review of arrangements for securing economy, efficiency and effectiveness in the use of resources

I have undertaken my audit in accordance with the Code of Audit Practice, having regard to the guidance on the specified criteria, published by the Audit Commission in October 2011, as to whether the Authority has proper arrangements for:

- securing financial resilience; and
- challenging how it secures economy, efficiency and effectiveness.

The Audit Commission has determined these two criteria as those necessary for me to consider under the Code of Audit Practice in satisfying myself whether the Authority put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2012.

I planned my work in accordance with the Code of Audit Practice. Based on my risk assessment, I undertook such work as I considered necessary to form a view on whether, in all significant respects, the Authority had put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources.

Conclusion

On the basis of my work, having regard to the guidance on the specified criteria published by the Audit Commission in October 2011, I am satisfied that, in all significant respects, South Ribble Borough Council put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2012.

Certificate

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

Fiona Blatcher
Senior Audit Manager

Audit Commission
Aspinal House, Aspinal Close
Middlebrook
Bolton
BL6 6QQ

Appendix 2 – Corrected errors

I identified the following material errors during the audit which management have addressed in the revised financial statements.

Issue	Impact on the accounts
<p>Comprehensive Income and Expenditure Statement (CIES)</p> <p>Council Tax Benefit income and expenditure should be charged to Central services to the public within the CIES. These costs had incorrectly been charged to Other Housing Services within the CIES.</p> <p>Gross income and expenditure had been mis-allocated to Other Housing Services by £6.626m and £6.865M retrospectively in 2011/12 and by £6,652 and £6,952 in 2010/11.</p>	<p>The CIES has now been correctly restated for 2011/12 and 2011/12. There is no overall impact on the total cost of services figure as this is a mis-classification error between central services and housing services.</p>
<p>Financial Instruments Note 15</p> <p>The analysis of financial instruments at Note 15 included all debtors and creditors. This would not be expected since some debtors and creditors are not financial instruments given that there is no contract - the debtor or creditor arises as a result of a statutory obligation.</p> <p>The note has been correctly amended. The 2010/11 debtors figure has been changed by £1,787,881 and the creditors figure by £ 672,983 and the 2011/12 figure for debtors amended by £2,045,424 and creditors by £1,006,636.</p>	<p>This is a disclosure note and the change to the note has no impact on the Authority's primary statements. The note now complies with recommended guidance.</p>

Issue

Operating Leases Note 40a

Note 40a summarises the Council's operating leases where South Ribble is the lessor. Testing to individual lease agreements identified that the note was incorrectly stated. The total value of future minimum lease payments receivable was understated by £975,000. This arose because incorrect lease end dates had been incorrectly used for a number of leases.

Impact on the accounts

Note 40a has been correctly amended. This is a disclosure note and the change to the note has no impact on the Authority's primary statements

Appendix 3 – Draft letter of management representation

Fiona Blatcher
Engagement Lead

Audit Commission
2nd Floor, Aspinall House
Aspinall Close
Middlebrook
Bolton
BL6 6QQ

South Ribble Borough Council - Audit for the year ended 31 March 2012

I confirm to the best of my knowledge and belief, having made appropriate enquiries of other officers of South Ribble Borough Council, the following representations given to you in connection with your audit of the Council's financial statements for the year/period ended 31 March 2012.

Compliance with the statutory authorities

I have fulfilled my responsibility under the relevant statutory authorities for preparing the financial statements in accordance with the Accounts and Audit (England) Regulations 2011 and the Code of Practice for Local Authority Accounting in the United Kingdom which give a true and fair view of the financial position and financial performance of the Council, for the completeness of the information provided to you, and for making accurate representations to you.

Supporting records

All relevant information and access to persons within the entity has been made available to you for the purpose of your audit, and all the transactions undertaken by the Council have been properly reflected and recorded in the financial statements.

Unadjusted misstatements in the accounts

All misstatements identified during the course of the audit have been adjusted.

Irregularities

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

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;
- 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; and
- the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.

Law, regulations, contractual arrangements and codes of practice

I have disclosed to you all known instances of non-compliance, or suspected non-compliance with laws, regulations and codes of practice, whose effects should be considered when preparing financial statements.

Transactions and events have been carried out in accordance with law, regulation or other authority. The Council has complied with all aspects of contractual arrangements that could have a material effect on the financial statements in the event of non-compliance. All known actual or possible litigation and claims, whose effects should be considered when preparing the financial statements, have been disclosed to the auditor and accounted for and disclosed in accordance with the applicable financial reporting framework.

Accounting estimates including fair values

I confirm the reasonableness of the significant assumptions used in making the accounting estimates, including those measured at fair value.

Related party transactions

I confirm that I have disclosed the identity of South Ribble Borough Council related parties and all the related party relationships and transactions of which I am aware. I have appropriately accounted for and disclosed such relationships and transactions in accordance with the requirement of the Code.

Subsequent events

All events subsequent to the date of the financial statements, which would require additional adjustment or disclosure in the financial statements, have been adjusted or disclosed.

Signed on behalf of South Ribble Borough Council

I confirm that the this letter has been discussed and agreed by the Governance Committee on 26 September 2012

Signed

Name M Nuttall

Councillor G O'Hare

Position Chief Financial Officer

Chair Governance Committee

Date: 26 September 2012

Date: 26 September 2012

Appendix 4 – Glossary

Annual Audit Letter

Letter issued by the auditor to the Authority after the completion of the audit that summarises the audit work carried out in the period and significant issues arising from auditors' work.

Annual Governance Report

The auditor's report on matters arising from the audit of the financial statements presented to those charged with governance before the auditor issues their opinion.

Annual Governance Statement

The annual report on the Authority's systems of internal control that supports the achievement of the Authority's policies aims and objectives.

Audit of the accounts

The audit of the accounts of an audited body comprises all work carried out by an auditor under the Code to meet their statutory responsibilities under the Audit Commission Act 1998.

Audited body

A body to which the Audit Commission is responsible for appointing the external auditor.

Auditing Practices Board (APB)

The body responsible in the UK for issuing auditing standards, ethical standards and associated guidance to auditors. Its objectives are to establish high standards of auditing that meet the developing needs of users of financial information and to ensure public confidence in the auditing process.

Auditing standards

Pronouncements of the APB that contain basic principles and essential procedures with which auditors must comply, except where otherwise stated in the auditing standard concerned.

Auditor(s)

Auditors appointed by the Audit Commission.

Code (the)

The Code of Audit Practice for local government bodies issued by the Audit Commission and approved by Parliament.

Commission (the)

The Audit Commission for Local Authorities and the National Health Service in England.

Ethical Standards

Pronouncements of the APB that contain basic principles relating to independence, integrity and objectivity that apply to the conduct of audits and with which auditors must comply, except where otherwise stated in the standard concerned.

Financial statements

The annual statement of accounts that the Authority is required to prepare, which report the financial performance and financial position of the Authority in accordance with the Accounts and Audit (England) Regulations 2011 and the Code of Practice on Local Authority Accounting in the United Kingdom.

Group accounts

Consolidated financial statements of an Authority and its subsidiaries, associates and jointly controlled entities.

Internal control

The whole system of controls, financial and otherwise, that the Authority establishes to provide reasonable assurance of effective and efficient operations, internal financial control and compliance with laws and regulations.

Materiality

The APB defines this concept as 'an expression of the relative significance or importance of a particular matter in the context of the financial statements as a whole. A matter is material if its omission would reasonably influence the decisions of an addressee of the auditor's report; likewise a misstatement is material if it would have a similar influence. Materiality may also be considered in the context of any individual primary statement

within the financial statements or of individual items included in them. Materiality is not capable of general mathematical definition, as it has both qualitative and quantitative aspects’.

The term ‘materiality’ applies only to the financial statements. Auditors appointed by the Commission have responsibilities and duties under statute, as well as their responsibility to give an opinion on the financial statements, which do not necessarily affect their opinion on the financial statements.

Significance

The concept of ‘significance’ applies to these wider responsibilities and auditors adopt a level of significance that may differ from the materiality level applied to their audit of the financial statements. Significance has both qualitative and quantitative aspects.

Those charged with governance

Those entrusted with the supervision, control and direction of the Authority. This term includes the members of the Authority and its Audit Committee.

Whole of Government Accounts

A project leading to a set of consolidated accounts for the entire UK public sector on commercial accounting principles. The Authority must submit a consolidation pack to the department for Communities and Local Government which is based on, but separate from, its financial statements.

If you require a copy of this document in an alternative format or in a language other than English, please call:
0844 798 7070

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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.

