

3 October 2012

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Dear Member

Uttlesford District Council Annual Audit Letter 2011/12

I am pleased to submit my Annual Audit Letter, which summarises my 2011/12 audit of Uttlesford District Council.

Financial statements and value for money conclusion

On 27 September, I presented my Annual Governance Report (AGR) to the Performance and Audit Committee outlining the findings of my audit of the Authority's 2011/12 financial statements. I will not replicate those detailed findings in this letter, but have summarised the key messages.

The Council produced a good quality and timely set of accounts. The working papers supporting the accounts were also of an appropriate quality. A small number of amendments were made to the accounts as a result of my audit, one of which was material. Most of the issues identified related to accounting for the Council's property, plant and equipment assets. Management corrected the accounts for all but one of the errors identified during the audit. The uncorrected item was trivial and was identified at a late stage of the audit. There was no impact upon the level of general fund reserves as a result of the audit.

My assessment of the Council's arrangements to secure economy, efficiency and effectiveness in its use of resources was made against two criteria specified by the Commission. These are; whether the organisation has proper arrangements in place to secure financial resilience; and whether the organisation has proper arrangements for challenging how it secures economy, efficiency and effectiveness. I concluded that the Council's arrangements are sound.

The Council's Medium Term Financial Plan and related budget are adequate and have been continually updated as new challenges are identified. Scenario planning has been used to ensure that all reasonable eventualities are considered. The Council has an appropriate approach to reserves. The level of general fund reserve is in line with the minimum level recommended by the Assistant Chief Executive – Finance. The Authority has continued to manage its spending and budget prudently and has reported surpluses in the last three years.

The Council challenges areas of high spend and looks for to alternative ways of providing services to find cost reductions, efficiencies and increase productivity. It is also continuing to develop benchmarking of its services and plans are in place to expand this practice in the future.

Following the Audit Committee on 27 September, I:

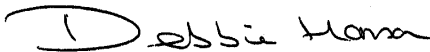
- issued an unqualified opinion on the Authority's 2011/12 financial statements included in the Authority's Statement of Accounts; and
- concluded that you have made proper arrangements to secure economy, efficiency and effectiveness in your use of resources.

I was unable to certify completion of the audit on 27 September because my Whole of Government Accounts report had not yet been issued. I completed the outstanding work on this and reported my findings on 2 October. I certified completion of my audit on the same date.

Closing remarks

I have discussed and agreed this letter with the Chief Executive and Assistant Chief Executive - Finance. I wish to thank the finance staff for their positive and constructive approach they have taken to my audit. I also wish to thank senior management and the Performance and Audit Committee for their support and co-operation during the audit.

Yours sincerely



Debbie Hanson
District Auditor