

Our reference BA007/AAL/2011-12

10 October 2012

Members
Barrow-in-Furness Borough Council
Town Hall
Barrow-in-Furness
Cumbria
LA14 2LD

Direct line 0844 798 4759
Email g-martlew@audit-
commission.gov.uk

Dear Member

Barrow in Furness Borough Council - Annual Audit Letter 2011/12

I am pleased to submit my Annual Audit Letter which summarises my 2011/12 audit of Barrow in Furness Borough Council.

Financial statements

On 27 September 2012 I presented my Annual Governance Report (AGR) to the Audit Committee outlining the findings of my audit of the Council's 2011/12 financial statements. I will not replicate all of those findings in this letter.

I am very pleased to report that no material errors were found on the primary statements and the overall completeness and accuracy of the accounts and disclosures notes was good. The Council's financial statements were produced and submitted for audit on time and were supported by good quality working papers. However, a number of audit adjustments were required to the notes to the accounts to ensure compliance with the CIPFA / LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2011/12.

I have also reviewed the Annual Governance Statement (AGS). As previously reported, the Council needs to improve its ongoing assurance gathering arrangements to support good governance and future AGS disclosures.

I note the Council does not have any operational risk registers and relies on risks being managed through the strategic risk register. It is important the Council maintains up to date strategic and operational risk registers to allow for risks to be managed and monitored at the appropriate level.

VFM

I concluded that you have made proper arrangements to secure economy, efficiency and effectiveness in your use of resources. I have found the Council has plans in place to achieve its deficit reduction strategy.

I note that the new contracting and tendering arrangements introduced back in December 2010 are still not fully embedded. Significant weaknesses remain, in particular within Cultural and Related Services. The Council needs to address these weaknesses to ensure that proper process is followed and that it can monitor the performance of the contractors providing services to the Council.

The Council also needs to closely monitor and manage the income generation element of the strategy given the ongoing depressed economy. I found there to be scope for the Council to develop a more detailed medium term Council Plan which is supported by an organisational improvement plan to assist delivery of its agreed key priorities 2012 -15.

Conclusion

Following the Audit Committee, on 27 September 2012 I:

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

Duties under the Audit Commission Act 1998

I have not taken any action using my powers under the Audit Commission Act 1998.

Closing remarks

I have discussed and agreed this letter with the Head of Paid Services - Executive Director and the Borough Treasurer. While this has been another challenging year for the Council 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 Audit Committee for their support and co-operation during the audit.

Yours sincerely

Gina Martlew
Appointed Auditor

cc Phil Huck Executive Director

Susan Roberts, Borough Treasurer