

19 October 2012

Members
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Dear Member

Gosport Borough Council Annual Audit Letter 2011/12

I am pleased to present my Annual Audit Letter which summarises my 2011/12 audit of Gosport Borough Council.

Financial statements

On 13 September 2012 I presented my Annual Governance Report (AGR) to the Standards and Governance Committee outlining the findings of my audit of the Authority's 2011/12 financial statements. I will not repeat the detailed findings in this letter.

Following the Policy and Organisation Committee on 26 September 2012 I:

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

A higher than expected level of errors was noted in your 2011/12 financial statements presented for audit. In addition a number of complex issues and concerns were highlighted e.g. embedded leases where further work was necessary. All errors identified were corrected by management, but as a result my audit work took longer than anticipated. I therefore agreed additional audit fees of £5,000 with the Borough Treasurer, as reported in my Annual Governance Report. However, this should be offset by reductions in the fee in respect of grant certification work.

Closing remarks

I have discussed and agreed this letter with the Chief Executive and Borough Treasurer. While this has been another challenging year for the Authority I wish to thank the finance staff for the positive and constructive approach they have taken to my audit. I also wish to thank senior management and the Standards and Governance Committee for their support and co-operation during the audit.

Yours sincerely

Kevin Suter
Appointed Auditor (Audit Commission)