

Annual Governance Report

September 2006



# Annual governance report

**London Ambulance Service Charitable Fund**

**Audit 2005/06**

External audit is an essential element in the process of accountability for public money and makes an important contribution to the stewardship of public resources and the corporate governance of public services.

Audit in the public sector is underpinned by three fundamental principles:

- auditors are appointed independently from the bodies being audited;
- the scope of auditors' work is extended to cover not only the audit of financial statements but also value for money and the conduct of public business; and
- auditors may report aspects of their work widely to the public and other key stakeholders.

The duties and powers of auditors appointed by the Audit Commission are set out in the Audit Commission Act 1998 and the Commission's statutory Code of Audit Practice. Under the Code of Audit Practice, appointed auditors are also required to comply with the current professional standards issued by the independent Auditing Practices Board.

Appointed auditors act quite separately from the Commission and in meeting their statutory responsibilities are required to exercise their professional judgement independently of both the Commission and the audited body.

### **Status of our reports to the Charity**

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 Trustees or officers. They are prepared for the sole use of the audited body. Auditors accept no responsibility to:

- any Trustee or officer in their individual capacity; or
- any third party.

### **Copies of this report**

If you require further copies of this report, or a copy in large print, in Braille, on tape, or in a language other than English, please call 0845 056 0566.

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## Purpose of this report

- 1 We are required by the International Standards on Auditing (UK and Ireland) to issue a report to those charged with governance summarising the conclusions from our audit work. For the purposes of this report, the Trust Board (which serves as Trustees to the Charity) is considered to fulfil the role of those charged with governance and references to the Board should be read as such.
- 2 We are also required to report to the Board certain matters before we give our opinion on the financial statements. The section of this report covering the financial statements fulfils this requirement.
- 3 This is our annual governance report covering the audit of the Charity for the year ended 31 March 2006 and is presented by the District Auditor.
- 4 The principle purposes of the report are: to reach a mutual understanding of the scope of the audit and the respective responsibilities of the auditor and the Board; to share information to assist both the auditor and the Board to fulfil their respective responsibilities; and to provide the Board with recommendations for improvement arising from the audit process.

## Scope of the report

- 5 In undertaking our audit, we comply with the statutory requirements of the Charities Act 1993, the Charity Commission SORP 2005; and the International Standards on Auditing (UK and Ireland). Auditors' responsibilities are to review and report on, to the extent required by the relevant legislation the Charity's financial statements.
- 6 Our risk assessment and planned response to the key audit risks was summarised in our audit plan. This annual governance report summarises the significant findings, conclusions and recommendations arising from our work.
- 7 We have issued separate reports during the year following completion of specific aspects of our programme, which are listed in Appendix 1. Appendix 2 provides information about the fee charged for our audit and in Appendix 3 we confirm that we have met professional requirements in respect of integrity, objectivity and independence.

## Financial statements

- 8 We are required to give an opinion whether:
- the financial statements give a true and fair view, in accordance with the Charities Act 1993, of the state of affairs of the Charity as at 31 March 2006 and of its income and expenditure for the year then ended; and
  - the Trustees' Annual Report is consistent with the financial statements.

## Status of the audit

- 9 Our work on the financial statements is now complete.

## Matters to be reported to the Board

- 10 We have the following matters to draw to the Audit Board's attention.

### Expected modifications to the auditor's report

- 11 On the basis of our audit work, we currently propose to issue an unqualified audit opinion. A draft audit report is attached at Appendix 4.

### Uncorrected misstatements

- 12 Management have adjusted all misstatements notified to them. There are therefore no unadjusted misstatements to report.

### Adjusted misstatements

- 13 To assist you in fulfilling your governance responsibilities, we are required to consider reporting adjusted misstatements to you where these are material. There was one such amendment:
- £2,346 within debtors balance in respect of LAS Award Vouchers reclassified as stock.

### Qualitative aspects of accounting practices and financial reporting

- 14 Our audit includes consideration of the qualitative aspects of the financial reporting process, including matters that have a significant impact on the relevance, reliability, comparability, comprehensibility and materiality of the information provided by the financial statements. We have no such matters to report to you.

## Material weaknesses in internal control identified during the audit

- 15 Our audit identified no material weaknesses in systems of accounting and financial control.
- 16 We have not provided a comprehensive statement of all weaknesses which may exist in internal control or of all improvements which may be made, but have addressed only those matters which have come to our attention as a result of the audit procedures we have performed.

## Matters specifically required by other auditing standards

- 17 Other auditing standards require us to communicate with you in other specific circumstances, including:
  - where we suspect or detect fraud;
  - where there is an inconsistency between the financial statements and other information in documents containing the financial statements; and,
  - non-compliance with legislative or regulatory requirements and related authorities.
- 18 We have no issues to bring to your attention in relation to the above.

## Any other matters of governance interest

- 19 Finally, we are required to report any other matters that we believe to be of governance interest. We report these matters in Table 3 below.

**Table 1 Other matters of governance interest**

Area	Auditor responsibility	Findings
Annual report	The auditor reviews the annual report for material consistency with the statutory financial statements.	We are satisfied that the annual report is consistent with the financial statements on which we have issued an unqualified opinion.

## Letter of representation

- 20 We have obtained written representations from management as an acknowledgement of its responsibility for the fair presentation of the financial statements and as audit evidence on matters material to the financial statements.

## Next steps

- 21 We are drawing these matters to the Audit Board's attention so that you can consider them before the financial statements are approved and certified.

## Closing remarks

- 22 This report has been discussed and agreed with Michael Dinan (Director of Finance). A copy of the report will be presented at the Board on [date] 2006.
- 23 The Charity has taken a positive and constructive approach to our audit and I would like to take this opportunity to express my appreciation for the Charity's assistance and co-operation.

**Susan M Exton**  
**District Auditor**

October 2006

## Appendix 1 – Audit reports issued

**Table 2**

<b>Planned output</b>	<b>Planned date of issue</b>	<b>Actual date of issue</b>	<b>Addressee</b>
Audit plan	May 2005	June 2005	Trust Audit Board
Annual governance report	July 2006	21 September 2006	The Trustees
Opinion on financial statements	July 2006	21 September 2006	The Trustees



## Appendix 2 – Fee information

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**Table 3**

<b>Fee estimate</b>	<b>Plan 2005/06</b>	<b>Actual 2005/06</b>
Accounts	£3,000	£3,000

## Appendix 3 –Integrity, objectivity and independence

- 24 We are required by ISA (UK and Ireland) 260 and the Auditing Practices Board Ethical Standard 1 to communicate following matters to the Audit Board:
- the principal threats, if any to objectivity and independence identified by the auditor, including consideration of all relationships between the Charity, directors and the auditor;
  - any safeguards adopted and the reasons why they are considered to be effective;
  - any independent partner review;
  - the overall assessment of threats and safeguards; and
  - information about the general policies and processes for maintaining objectivity and independence.
- 25 We are not aware of any relationships that may affect the independence and objectivity of the team, and which are required to be disclosed under auditing and ethical standards.

## **Appendix 4 – Independent auditor’s report to the Trustees of London Ambulance Service Charitable Fund**

### **Opinion on the financial statements**

I have audited the financial statements of London Ambulance Service Charitable Funds for the year ended 31 March 2006 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out within them.

This report is made solely to the trustees of London Ambulance Service Charitable Funds in accordance with section 43A of the Charities Act 1993. My audit work has been undertaken so that I might state to the trustees those matters I am required to state to them in an auditor’s report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the trustees of London Ambulance Service Charitable Funds for my audit work, for this report, or for the opinion I have formed.

### **Respective responsibilities of the trustees and auditors**

As set out in the Statement of Trustee’s Responsibilities, the Trustees are responsible for preparing the financial statements in accordance with applicable law and United Kingdom accounting standards (United Kingdom Generally Accepted Accounting Practice).

I have been appointed as auditor under section 43A of the Charities Act 1993 and report in accordance with regulations made under section 44 of that Act.

My responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board.

I report to you my opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Charities Act 1993. I also report to you if, in my opinion, the Trustees Annual Report is not consistent with the financial statements, if the charity has not kept proper accounting records, or if I have not received all the information and explanations I require for my audit.

I read other information contained in the Trustee’s Annual Report, and consider whether it is consistent with the audited financial statements. I consider the implications for my report if I become aware of any apparent misstatements or material inconsistencies with the financial statements. My responsibilities do not extend to any other information.

## Basis of audit opinion

I conducted my audit in accordance with the Charities Act 1993 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 financial statements. It also includes an assessment of the significant estimates and judgments made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charity’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 financial statements 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 financial statements.

## Opinion

In my opinion the financial statements give a true and fair view of the state of the charity’s affairs as at 31 March 2006 and of its incoming resources and application of resources for the year then ended and have been properly prepared in accordance with the Charities Act 1993.

Signed:

Date:

Susan M Exton  
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