

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CUMBRIA COUNTY COUNCIL (the "Authority")

Issue of audit opinion on the financial statements

In our audit report for the year ended 31 March 2018 issued on 27 July 2018 we reported that, in our opinion the financial statements:

- give a true and fair view of the financial position of the group and of the Authority as at 31 March 2018 and of the group's and Authority's expenditure and income for the year then ended;
- had been prepared properly in accordance with the CIPFA/LASAAC code of practice on local authority accounting in the United Kingdom 2017/18; and
- had been prepared in accordance with the requirements of the Local Audit and Accountability Act 2014.

Issue of audit opinion on the pension fund financial statements

In our audit report for the year ended 31 March 2018 issued on 27 July 2018 we reported that, in our opinion the pension fund financial statements:

- give a true and fair view of the financial transactions of the pension fund during the year ended 31 March 2018 and of the amount and disposition at that date of the fund's assets and liabilities;
- had been prepared properly in accordance with the CIPFA/LASAAC code of practice on local authority accounting in the United Kingdom 2017/18; and
- had been prepared in accordance with the requirements of the Local Audit and Accountability Act 2014.

Issue of qualified conclusion on the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources

In our audit report for the year ended 31 March 2018 issued on 27 July 2018 we reported a qualified conclusion in the following terms:

Qualified conclusion

On the basis of our work, having regard to the guidance on the specified criterion issued by the Comptroller and Auditor General in November 2017, except for the effects of the matters described in the basis for qualified conclusion section of our report, we are satisfied that in all significant respects, the Authority put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2018.

Basis for qualified conclusion

In considering the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources we identified the following matter. Following a legal contractual dispute settled in November 2016 the Authority carried out a lessons learned review, which resulted in a number of agreed management actions in September 2017. These actions were designed to address weaknesses in contract management arrangements.

As a result of the lessons learned review, the Authority acknowledged that, it needed to improve the robustness of its overarching contract management arrangements with appropriate capacity, capability, performance monitoring, risk and escalation management of all major contracts, and to improve arrangements for the management of any future contract disputes.

During 2017/18 the Authority has made progress in implementing the actions determined in the review, but as at 31 March 2018 these actions have not been fully embedded.

As these actions were not fully embedded throughout the financial year, this matter is evidence of weaknesses in proper arrangements for acting in the public interest, through demonstrating and applying the principles and values of sound governance and for working with third parties effectively to deliver strategic priorities.

Certificate

In our report dated 27 July 2018, we explained that we could not formally conclude the audit on that date until we had completed our consideration of an objection brought to our attention by a local authority elector under Section 27 of the Local Audit and Accountability Act 2014. These matters have now been dealt with.

No matters have come to our attention since that date that would have a material impact on the financial statements on which we gave an unqualified opinion or a significant impact on our conclusion on the authority's arrangements for securing value for money through economic, efficient and effective use of its resources.

We certify that we have completed the audit of the financial statements of the Authority in accordance with the requirements of the Local Audit and Accountability Act 2014 and the Code of Audit Practice issued by the National Audit Office on behalf of the Comptroller and Auditor General.

Gareth Kelly

Gareth Kelly
for and on behalf of Grant Thornton UK LLP, Appointed Auditor

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03 July 2019