

East Grinstead Town Council

Annual Audit Letter 2006

18 December 2006

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Statement of Responsibilities of Auditors and of Audited Bodies

Our reports and audit letters are prepared in the context of the Statement of Responsibilities of Auditors and Audited Bodies, issued by the Audit Commission.

Reports prepared by appointed auditors and addressed to Members or Officers are prepared for the sole use of the audited body, and no responsibility is taken by auditors to any Member or Officer in their individual capacity, or to any third party.

Purpose, responsibilities and scope

The purpose of this letter

- 1 The purpose of this Annual Audit Letter is to summarise the key issues arising from the work that we have carried out during the year. Although it is addressed to the Members of the Council, it is also intended to communicate the significant issues we have identified, in an accessible style, to key external stakeholders, including members of the public. The letter will be published on the Audit Commission website at www.audit-commission.gov.uk and also on the Council's website at www.eastgrinstead.gov.uk.

The responsibilities of the auditor and the Council

- 2 We have been appointed as the Council's independent external auditors by the Audit Commission, the body responsible for appointing auditors to local public sector bodies in England, including Councils.
- 3 As the Council's external auditors, we have a broad remit covering financial and governance matters. We target our work on areas which involve significant amounts of public money and on the basis of our assessment of the key risks to the Council achieving its objectives. It is the responsibility of the Council to ensure that proper arrangements are in place for the conduct of its business and that public money is safeguarded and properly accounted for. We have considered how the Council is fulfilling these responsibilities.

The scope of our work

- 4 We plan and carry out an audit that meets the requirements of the Audit Commission's Code of Audit Practice (the Code). Under the Code, we are required to review and report on:
 - the Council's accounts; and
 - whether the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.
- 5 In addition to this, we consider and report on whether the Council has complied with the statutory requirements in respect of the preparation and publication of the 2006/07 Best Value Performance Plan.
- 6 This letter summarises the significant issues arising from both of these areas of work and highlights the key recommendations that we consider should be addressed by the Council. A list of all reports issued to the Council in relation to the 2005/06 audit is provided in the closing remarks section at the end of this letter.

Key messages

Audit of the accounts

- 7 We plan to issue an unqualified audit opinion on the Council' s statement of accounts for the year ended 31 March 2006. We are currently awaiting a copy of signed accounts, and will issue our report upon receipt. There were no significant matters arising from our audit work.

Use of resources

- 8 We conclude that the Council made proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2006.

Best Value Performance Plan 2006/07

- 9 We did not identify any matters that required to be formally reported to the Authority and did not make any recommendations on procedures in relation to the BVPP.

Audit of the accounts

- 10 We are currently awaiting a copy of signed accounts, and will issue our report upon receipt.
- 11 Before we give our opinion on the accounts, we are required to report to those charged with governance, the full Council, any important matters arising from the audit. There were no issues identified during the audit that required reporting to those charged with governance.

The Council's use of resources

- 12 We are required to issue a conclusion on whether we are satisfied that the Council has put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources. This is known as the value for money conclusion.

Value for money conclusion

- 13 Our assessment for 2005/06 was based on the information gathered during the course of our audit work. We concluded that the Council had proper arrangements in place to secure value for money in the use of resources.

Best Value Performance Plan

- 14 The Local Government Act 1999 places a statutory duty on the Council to achieve Best Value in the provision of services. This is defined as a requirement to ensure that arrangements are in place to secure continuous improvement in the way in which the Council's functions are exercised, having regard to a combination of economy, efficiency and effectiveness.
- 15 The Act also requires the Council to publish a Best Value Performance Plan (BVPP) which summarises the Council's assessment of its performance and position in relation to Best Value. The annual statutory date for publication is 30 June.
- 16 Our audit work focused on the Council's arrangements for the production of the BVPP. Our responsibilities under the Code require us to consider and report on whether the Council has complied with the statutory requirements in respect of the preparation and publication of the BVPP. Our statutory auditors' report in relation to the 2006/07 BVPP was issued on 30 October 2006. There were no matters that required to be formally reported to members in relation to the BVPP.

Closing remarks

- 17 Further detailed findings, conclusions and recommendations on the areas covered by our audit are included in the reports issued to the Council during the year. These are listed in the following table.

Reports issued in 2006

Planned output	Date of issue
2005/06 Audit Plan	2 May 2006
Annual Governance Report	12 October 2006
2006/07 Best Value Performance Plan Report	30 October 2006
Opinion on 2005/06 Financial Statements	TBC
2005/06 Value for Money Conclusion	TBC
Report to Management on 2005/06 audit	18 December 2006
Annual Audit Letter 2006	18 December 2006

Acknowledgements

- 18 During the course of the year, we have received considerable support and assistance from the Council's employees and we would like to take this opportunity to thank them for the time they have made available to help us complete the audit programme.

Appendix A

Auditor's Report to East Grinstead Town Council on its Best Value Performance Plan for the year ended 31 March 2007

Certificate

We certify that we have audited East Grinstead Town Council's Best Value Performance Plan (BVPP) in accordance with section 7 of the Local Government Act 1999 and the Audit Commission's Code of Audit Practice. We also had regard to supplementary guidance issued by the Audit Commission.

Respective Responsibilities of the Council and the Auditor

Under the Local Government Act 1999 (the Act), the Council is required to prepare and publish a BVPP summarising the Council's assessments of its performance and position in relation to its statutory duty to make arrangements to secure continuous improvement to the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

The Council is responsible for the preparation of the BVPP and for the information and assessments set out within it. The Council is also responsible for establishing appropriate performance management and internal control systems from which the information and assessments in its BVPP are derived. The form and content of the BVPP are prescribed in section 6 of the Act and statutory guidance issued by the Government.

As the Council's auditors, we are required under section 7 of the Act to carry out an audit of the BVPP, to certify that we have done so, and:

- to report whether we believe that the BVPP has been prepared and published in accordance with statutory requirements set out in section 6 of the Act and statutory guidance and, where appropriate, recommending how the BVPP should be amended so as to accord with statutory requirements;
- to recommend:
 - where appropriate, procedures to be followed in relation to the BVPP;
 - whether the Audit Commission should carry out a Best Value inspection of the Council/Authority under section 10 of the Local Government Act 1999;
 - whether the Secretary of State should give a direction under section 15 of the Local Government Act 1999.

Opinion

Basis of this opinion

For the purpose of forming our opinion whether the BVPP was prepared and published in accordance with the legislation and with regard to statutory guidance, we conducted our audit in accordance with the Audit Commission's Code of Audit

Practice. In carrying out our audit work we also had regard to supplementary guidance issued by the Audit Commission.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide an opinion on whether the BVPP has been prepared and published in accordance with statutory requirements.

In giving our opinion we are not required to form a view on the completeness or accuracy of the information or the realism and achievability of the assessments published by the Council. Our work therefore comprised a review and assessment of the BVPP and, where appropriate, examination on a test basis of relevant evidence, sufficient to satisfy ourselves that the BVPP includes those matters prescribed in legislation and statutory guidance and that the arrangements for publishing the BVPP complied with the requirements of the legislation and statutory guidance.

Where we have qualified our audit opinion on the BVPP we are required to recommend how the BVPP should be amended so as to comply in all significant respects with the legislation and statutory guidance.

Opinion

In our opinion, East Grinstead Town Council has prepared and published its BVPP in all significant respects in accordance with section 6 of the Local Government Act 1999 and statutory guidance issued by the Government.

Recommendations on procedures followed in relation to the BVPP

Where appropriate, we are required to recommend the procedures to be followed by the Council in relation to the BVPP.

Basis of recommendations

For the purpose of making our recommendations, we conducted our audit in accordance with the Audit Commission's Code of Audit Practice. In carrying out our audit work, we also had regard to supplementary guidance issued by the Audit Commission.

We planned and performed our work so as to obtain all the information and explanations that we considered necessary in order to enable us to determine whether or not to make recommendations in this report on the matters that came to our attention during the audit. However, our work cannot be relied upon to identify every weakness or opportunity for improvement. In particular, it has not necessarily covered the same areas as a Best Value inspection.

Recommendations

On the basis of our audit work, we do not consider that there are any matters that should be drawn to your attention.

Recommendations on referral to the Audit Commission/Secretary of State

We are required each year to recommend whether, on the basis of our audit work, the Audit Commission should carry out a Best Value inspection of the Council or whether the Secretary of State should give a direction.

On the basis of our work:

We do not recommend that the Audit Commission should carry out a Best Value inspection of East Grinstead Town Council under section 10 of the Local Government Act 1999;

We do not recommend that the Secretary of State should give a direction under section 15 of the Local Government Act 1999.

Mazars LLP

Chartered Accountants and Registered Auditors
Brighton

30 October 2006