

# Annual Audit Letter

Harpenden Town Council

Audit 2007/08

December 2008



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# Contents

<b>Summary</b>	<b>3</b>
<b>Purpose, responsibilities and scope</b>	<b>4</b>
<b>Audit of the accounts</b>	<b>5</b>
<b>Use of resources</b>	<b>6</b>
<b>Closing remarks</b>	<b>7</b>

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## Status of our Reports

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 non-executive directors/members or officers. They are prepared for the sole use of the audited body. Auditors accept no responsibility to:

- any director/member or officer in their individual capacity; or
  - any third party.
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# Summary

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## Key messages

- 1 I gave an unqualified opinion on the Town Council's financial statements for the year ended 31 March 2008. Our review of the financial statements confirmed that the working papers were of a good standard and complied with recommended practice. However, some additional disclosures were required in relation to financial instruments.
- 2 The Town Council has adequate arrangements in place to secure economy, efficiency and effectiveness in the use of its resources and I therefore issued an unqualified Value for Money conclusion for 2007/08. The Town Council has identified in its Annual Governance Statement that its risk register requires updating and I support this action. Our concern raised in last year's Letter regarding the independence of the internal audit scrutiny has been addressed.
- 3 The Best Value Performance Plan prepared by the Town Council met the statutory requirements and we were able to give an unqualified opinion.

<b>Recommendation</b>
<b>R1</b> The Town Council's overall risk register requires collating and updating.

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# Purpose, responsibilities and scope

- 4 This Annual Audit Letter (letter) summarises the key issues arising from our work carried out during the year. I have addressed this letter to members as it is the responsibility of the Town Council to ensure that arrangements are in place for the conduct of its business and that it safeguards and properly accounts for public money. I have made recommendations to assist the Town Council in meeting its responsibilities.
- 5 The letter also communicates the significant issues to key external stakeholders, including members of the public. I will publish this letter on the Audit Commission website at [www.audit-commission.gov.uk](http://www.audit-commission.gov.uk).
- 6 I have prepared this letter as required by the Statement of Responsibilities of Auditors and Audited Bodies issued by the Audit Commission. This is available from [www.audit-commission.gov.uk](http://www.audit-commission.gov.uk).
- 7 As your appointed auditor, I am responsible for planning and carrying out an audit that meets the requirements of the Audit Commission's Code of Audit Practice (the Code). Under the Code, I review and report on:
  - the Town Council's accounts; and
  - whether the Town Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.
- 8 This letter summarises the significant issues arising from both these areas of work and highlights the key recommendations that I consider the Town Council should be addressing. I have listed the reports issued to the Town Council relating to the 2007/08 audit at the end of this letter.

# Audit of the accounts

- 9 As your appointed auditor, I have issued an unqualified opinion on the Town Council's accounts on 28 November 2008.
- 10 Before giving my opinion I reported to full Council, as those charged with governance, the issues arising from the 2007/08 audit. The key points were as follows.
  - The financial statements were approved by the Town Council on 30 June 2008, in accordance with the requirements of the Accounts and Audit Regulations 2003.
  - The changes introduced by the 2007 SoRP had predominantly been addressed by the Town Council, although some additional disclosures were required in relation to financial instruments.
  - The Annual Governance Statement had been prepared in accordance with the requirements specified by CIPFA.
- 11 The working papers supporting the financial statements continue to be produced to good standard.

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# Use of resources

- 12 As your appointed auditor, I am required to conclude on whether I am satisfied the Town 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.
- 13 I concluded that the Town Council did have proper arrangements in place to secure economy, efficiency and effectiveness in its use of resources.
- 14 The Town Council has identified in its Annual Governance Statement that the presentation of its risk register requires updating to ensure it remains an effective tool to manage organisational risk. I support this proposed action.
- 15 We reported in last year's Letter that the Town Council did not have independent internal audit scrutiny of its internal control processes. The Town Council has taken action to address this with the appointment of an independent internal auditor for the 2007/08 financial year.

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## Best Value Performance Plan

- 16 We reviewed the Town Council's Best Value Performance Plan to ensure that it complied with statutory requirements. We concluded that compliance had been achieved and issued an unqualified opinion upon it.

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## Specific risk-based work

- 17 I did not carry out any specific pieces of risk-based work.

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# Closing remarks

- 18** I have discussed and agreed this letter with the Town Clerk. I will provide copies to all Town Council members.
- 19** Further detailed findings, conclusions and recommendations on the areas covered by our audit are included in the reports issued to the Town Council during the year.

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**Table 1      Reports issued**

<b>Report</b>	<b>Date of issue</b>
Audit plan	June 2008
Report to those charged with governance	November 2008
Opinion on financial statements	November 2008
Value for money conclusion	November 2008
Annual audit letter	December 2008

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- 20** The Town Council has taken a positive and constructive approach to our audit. I wish to thank the Town Council's staff for their support and cooperation during the audit.

Mark Hodgson  
District Auditor  
December 2008

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# The Audit Commission

The Audit Commission is an independent watchdog, driving economy, efficiency and effectiveness in local public services to deliver better outcomes for everyone.

Our work across local government, health, housing, community safety and fire and rescue services means that we have a unique perspective. We promote value for money for taxpayers, auditing the £200 billion spent by 11,000 local public bodies.

As a force for improvement, we work in partnership to assess local public services and make practical recommendations for promoting a better quality of life for local people.

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For further information on the work of the Commission please contact:

Audit Commission, 1st Floor, Millbank Tower, Millbank, London SW1P 4HQ

Tel: 0844 798 1212 Fax: 0844 798 2945 Textphone (minicom): 0844 798 2946

[www.audit-commission.gov.uk](http://www.audit-commission.gov.uk)

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