



INFRASTRUCTURE, GOVERNMENT AND  
HEALTHCARE

## External Audit: Annual Audit Letter 2008/09

Newbury Town Council

15 March 2010

AUDIT

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This report is addressed to the Authority and has been prepared for the sole use of the Authority. We take no responsibility to any member of staff acting in their individual capacities, or to third parties. The Audit Commission has issued a document entitled Statement of Responsibilities of Auditors and Audited Bodies. This summarises where the responsibilities of auditors begin and end and what is expected from the audited body. We draw your attention to this document.

External auditors do not act as a substitute for the audited body's own responsibility for putting in place proper arrangements to ensure that public business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively.

If you have any concerns or are dissatisfied with any part of KPMG's work, in the first instance you should contact Greg McIntosh, who is the engagement partner to the Authority, telephone 0207 311 1769, email [june.awty@kpmg.co.uk](mailto:june.awty@kpmg.co.uk) who will try to resolve your complaint. If you are dissatisfied with your response please contact Trevor Rees on 0161 236 4000, email [trevor.rees@kpmg.co.uk](mailto:trevor.rees@kpmg.co.uk), who is the national contact partner for all of KPMG's work with the Audit Commission. After this, if you still dissatisfied with how your complaint has been handled you can access the Audit Commission's complaints procedure. Put your complaint in writing to the Complaints Team, Audit Commission, Nicholson House, Lime Kiln Close, Stoke Gifford, Bristol, BS34 8SU, Telephone 0117 9753131 or by email to: [complaints@audit-commission.gov.uk](mailto:complaints@audit-commission.gov.uk).

## Purpose of this letter

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### Purpose of this letter

The purpose of this Annual Audit Letter (the letter) is to summarise the key issues arising from the work that we have carried out during 2008-09 at Newbury Town Council.

Although this letter is addressed to the members of the Authority, it is also intended to communicate those key issues 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](http://www.audit-commission.gov.uk).

This letter has been prepared in the context of the Statement of Responsibilities of Auditors and Audited Bodies issued by the Audit Commission. This is available at [www.audit-commission.gov.uk](http://www.audit-commission.gov.uk).

### Responsibilities of the Auditor and the Authority

The Council is responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources and regularly reviewing their adequacy and effectiveness.

The Council is also responsible for putting in place systems of internal control to ensure the regularity and lawfulness of transactions, to maintain proper accounting records and to prepare financial statements that present fairly its financial position and its expenditure and income. It is also responsible for preparing and publishing an Annual Statement of Governance with its financial statements.

Our responsibility is to satisfy ourselves that you have in place proper arrangements by reviewing and, where appropriate, examining evidence that is relevant to your corporate performance and financial management arrangements and reporting on them.

### Exercise of Other Powers

We have a duty under section 8 of the Audit Commission Act 1998 to consider whether, in the public interest, to report on any matter that comes to our attention in order for it brought to the attention of the public. In addition we have a range of other powers under the 1998 Act. We did not exercise these powers or issue a report in the public interest in 2008/09.

## The audit of the accounts and value for money conclusion

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### Audit of the accounts

#### *Opinion*

We completed the audit in line with the agreed deadline and did not identify any issues in the course of the audit which were considered to be material. We therefore intend to issue an unqualified audit opinion on your 2008/09 accounts.

In our ISA260 report we provided you with a review of the accounts production process and how this can be improved in the future.

#### *Adjustments to the accounts*

We identified a number of adjustments to the accounts as a result of our testing, which were detailed in our ISA260 report to you in March 2010. None of these impacted on the Council's reported financial position.

### Value for money

#### *Introduction*

The Audit Commission issues auditors with a set of criteria against which Councils should be assessed to inform the auditor's conclusion on whether proper arrangements are in place for securing economy, efficiency and effectiveness in its use of resources. We also consider the management arrangements the Council has in place for ensuring data quality.

#### *Conclusion*

We are required to satisfy ourselves that you have proper arrangements in place to secure economy, efficiency and effectiveness in your use of resources. We reach this conclusion by assessing the Council's arrangements against the criteria issued by the Audit Commission to assist auditors in forming their VfM conclusion.

We raised a recommendation regarding improving risk management processes in our ISA 260 report.

## Closing remarks

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This letter has been agreed with Graham Hunt. A copy of the letter will be presented at the Authority's Council meeting on 15 March 2010, and copies will be provided to all Authority members through inclusion on the agenda.

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

Report	Date issued
2008/09 Audit Plan	April 2009
ISA 260 Report to Those Charged with Governance	March 2010