

Annual Audit Letter to:  
**Great Aycliffe Town Council**



Audit 2012/13

August 2013



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# 01

## Key messages

This Annual Audit Letter summarises the findings from our 2012/13 audit of Great Aycliffe Town Council (the Council).



# Key messages

Our 2012/13 audit of the Council was made up of two elements:

- our audit of the financial statements; and
- our assessment of arrangements for achieving value for money in your use of resources.

The key conclusions for each element are summarised below.

## **Audit opinion and financial statements**

We issued an audit report including an unqualified opinion on the Council's financial statements on 22 July 2013. Our audit progressed smoothly, and identified only a small number of errors.

## **Value for money**

We undertook work in line with Audit Commission guidance, and concluded there were no matters to report on the Council's arrangements to ensure economy, efficiency and effectiveness in the use of its resources.

We also issued our certificate, closing this year's audit, on 22 July 2013.

# 02

## Financial statements

The Council produced good quality accounts. This supported an efficient audit and we issued an unqualified opinion.



# Financial statements

We issued an audit report including an unqualified opinion on the financial statements on 22 July 2013. Our audit progressed smoothly, and identified only a small number of errors.

The draft financial statements were of a high quality overall; as were the supporting working papers. We identified no significant issues in the course of our audit, and no material errors were identified. The Council's finance team were very cooperative whilst we undertook our work, helping us to complete our audit work efficiently.

## **Audit findings**

Our detailed findings were reported in our Audit Completion Report to the Council at its meeting on 26 July 2013.

We did not identify any significant deficiencies in the accounting and internal controls systems during the course of the audit.

Our audit identified a small number of potential adjustments to the draft financial statements and the accompanying notes. Of the amendments suggested, none related to the value of assets and liabilities, income or expenditure and all were corrected. This helps improve the clarity of the information in the Council's published accounts.

# 03

## Securing economy, efficiency and effectiveness

Our work shows that the Council maintained proper arrangements for securing value for money in its use of resources during 2012/13.



# Securing economy, efficiency and effectiveness

To inform our work in this area we drew upon:

- our audit work on the Council's Annual Governance Statement as part of the audit of the financial statements; and
- the Council's own assessment of its arrangements to challenge and continuously improve the way it uses its financial resources.

Our work in these areas allowed us to satisfy ourselves that the Council maintained proper arrangements for securing value for money in its use of resources during 2012/13.

## **Annual Governance Statement**

There were no issues arising from our review of the Council's Annual Governance Statement that led us to consider the Council did not have proper arrangements for securing economy, efficiency and effectiveness.

## **Arrangements to secure value for money**

We found that the Council's Finance function is well-qualified, informed and capable and that the overall financial governance culture is strong. In particular:

- Financial planning is integrated and forward-looking in the Medium Term Financial Plan.
- Reserves are sufficient to meet current plans and have been managed well, historically.
- Arrangements for financial monitoring, forecasting and reporting are strong.



# 04

Fees and  
closing  
remarks



# Fees and closing remarks

Our audit fees for the year are in line with those estimated in our Audit Strategy Memorandum dated January 2013, being £7,650 (plus VAT). We did not undertake any non-audit services for the Council in 2012/13.

We have discussed and agreed this letter with the Town Clerk and Finance Manager, and will provide copies to all members. Further detailed findings and conclusions in the areas covered by our audit are included in the reports issued to the Council during the year.

<b>Report</b>	<b>Date issued</b>
2012/13 Audit Fee Letter	October 2012
Audit Strategy Memorandum	January 2013
Audit Completion Report	July 2013
Audit Opinion on the Financial Statements	July 2013

The Council has taken a positive and constructive approach to our audit and we wish to thank members and officers for their support and co-operation during our audit in the past year.

**Cameron Waddell**  
**Director**  
**August 2013**