

Annual Governance Report

September 2006



Annual governance report

Tonbridge and Malling Borough Council

Audit 2005/06

External audit is an essential element in the process of accountability for public money and makes an important contribution to the stewardship of public resources and the corporate governance of public services.

Audit in the public sector is underpinned by three fundamental principles:

- auditors are appointed independently from the bodies being audited;
- the scope of auditors' work is extended to cover not only the audit of financial statements but also value for money and the conduct of public business; and
- auditors may report aspects of their work widely to the public and other key stakeholders.

The duties and powers of auditors appointed by the Audit Commission are set out in the Audit Commission Act 1998 and the Local Government Act 1999 and the Commission's statutory Code of Audit Practice. Under the Code of Audit Practice, appointed auditors are also required to comply with the current professional standards issued by the independent Auditing Practices Board.

Appointed auditors act quite separately from the Commission and in meeting their statutory responsibilities are required to exercise their professional judgement independently of both the Commission and the audited body.

Status of our reports to the Authority

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

- any member or officer in their individual capacity; or
- any third party.

Copies of this report

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Purpose of this report

- 1 We are required by the Audit Commission's statutory Code of Audit Practice for Local Government bodies (the Code) to issue a report to those charged with governance summarising the conclusions from our audit work. For the purposes of this report, the Authority's General Purposes Committee is considered to fulfil the role of those charged with governance.
- 2 We are also required by professional auditing standards to report to the General Purposes Committee certain matters before we give our opinion on the financial statements. The section of this report covering the financial statements fulfils this requirement.
- 3 This is our Annual Governance Report covering the audit of the Authority for the year ended 31 March 2006 and is presented by the District Auditor.
- 4 The principal purposes of the report are:
 - to reach a mutual understanding of the scope of the audit and the respective responsibilities of the auditor and the General Purposes Committee;
 - to share information to assist both the auditor and those charged with governance to fulfil their respective responsibilities; and
 - to provide the General Purposes Committee with recommendations for improvement arising from the audit process.
- 5 The Audit Commission has circulated to all audited bodies a Statement of Responsibilities of Auditors and Audited Bodies that summarises the key responsibilities of auditors. Our audit has been conducted in accordance with the principles set out in that statement.

Scope of the report

- 6 In undertaking our audit, we comply with the statutory requirements of the Audit Commission Act 1998 and the Code. Auditors' responsibilities are to review and report on, to the extent required by the relevant legislation and the requirements of the Code:
 - the Authority's financial statements; and
 - whether the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.
- 7 Our risk assessment and planned response to the key audit risks was summarised in our Audit and Inspection Plan. A summary of our responsibilities and audit approach is included in Appendix 1. The annual governance report summarises the significant findings, conclusions and recommendations arising from our audit work. The results of our inspection work, and our separate grant claims' certification programme, will be reported in the Relationship Manager Letter in March 2007.

- 8** During the year we have issued separate reports on completed aspects of our programme, and these are listed in Appendix 2. Appendix 3 provides information about the fee charged for our audit and Appendix 4 sets out our professional requirements in respect of independence and objectivity.

Key messages

Financial statements

- 9 Our work on the Council's financial statements is now complete. We anticipate being able to issue an unqualified opinion by 30 September 2006 (a draft audit report is attached at Appendix 5).

Use of resources

- 10 Our work on the Council's arrangements to secure economy, efficiency and effectiveness in its use of resources is now complete. We anticipate being able to issue an unqualified conclusion on the use of resources by 30 September 2006 (a draft report is attached at Appendix 5).

Financial statements

- 11 We are required to give an opinion on whether the Authority's financial statements present fairly the financial position of the Authority as at 31 March 2006 and its income and expenditure for the year then ended.

Status of the audit

- 12 Our work on the financial statements is now complete.

Matters to be reported to the General Purposes Committee

- 13 We have the following matters to draw to the Committee's attention.

Expected modifications to the auditor's report

- 14 On the basis of our audit work, we currently propose to issue an unqualified audit report. A draft audit report is attached at Appendix 5.

Uncorrected misstatements

- 15 Our audit did not identify any significant uncorrected misstatements that need to be brought to your attention.

Adjusted misstatements

- 16 To assist you in fulfilling your governance responsibilities, we are required to report adjusted misstatements to you where these are material. Our audit did not identify any significant misstatements although there were a number of minor disclosure issues which were discussed and agreed with officers during the course of the audit. These issues have now been resolved in the revised Statement of Accounts.

Qualitative aspects of accounting practices and financial reporting

- 17 Our audit includes consideration of the qualitative aspects of the financial reporting process, including matters that have a significant impact on the relevance, reliability, comparability, comprehensibility and materiality of the information provided by the financial statements. We wish to report the following matters to you.
- 18 An initial review of the capital outturn report indicated that the Council had underspent on its 2005/06 capital programme by £1.9 million. However, when reviewing the individual elements it was evident that some £1.0 million of the apparent slippage was in fact schemes that had been completed and where the schemes had been over budgeted. Some examples are as follows:

- Traffic Schemes completed - over budgeted £173k
- Leisure - Other Schemes - Disability Discrimination Act Improvements £90k and Capital Renewals £318k
- IT Initiatives - Funded by Government Grants £392k
- Corporate Services - Other - Community Partnership Initiatives £100k

The Capital budgeting process needs to be reviewed in order that schemes are periodically reappraised and any surplus budgets transferred to other schemes to make more effective use of funds available.

- 19** A review of the Council's Intangible Assets indicated that there were items included within the £719k disclosure in the Consolidated Balance Sheet that should have been classified as Tangible Assets, for example, Laptop computers. No adjustment has been made to the consolidated balance sheet as it is merely a matter of disclosure between intangible and tangible assets and the amounts involved are not material to the accounts. It has been agreed with officers that they will carry out a thorough review of Intangible Assets during 2006/07 and reclassify assets as appropriate to conform to the SORP and financial reporting standard FRS10. In addition it has also been agreed to disclose on the note to the accounts that 'Intangible assets consists of software and associated costs.'
- 20** The process for completing bank reconciliations needs to be reviewed. The current reconciliation process takes all the bank accounts as one and then reconciles them in total. Whilst we are satisfied that the process is adequate we are of the opinion that a more simplified process should be adopted to make the reconciliation process quicker and more readily understandable. This has been discussed and agreed with officers.
- 21** Sales invoice testing found that sales invoices in general are raised on a prompt basis and contain sufficient information to enable the income to be recognised correctly in the Statement of Accounts. Our review did however highlight the fact that invoices raised by the Leisure Services Business Unit (LSBU) could have been raised on a more timely basis. LSBU management should periodically review sales ledger activity in order to ensure that all income is raised on a timely basis and is accounted for in the correct accounting period.

<i>Recommendations</i>
<i>R1 Review capital budgeting processes to ensure that schemes are periodically re-appraised to make more effective use of funds available.</i>
<i>R2 Undertake a thorough review of Intangible Assets during 2006/07 and identify assets which have been incorrectly categorised.</i>
<i>R3 Review the bank reconciliation to simplify the process and to facilitate management and audit review.</i>

R4 LSBU management should periodically review sales ledger activity in order to ensure that all income is raised on a timely basis and is accounted for in the correct accounting period.

Material weaknesses in internal control identified during the audit

- 22** Whilst we have identified some areas where improvements can be made to the Authority's systems of internal control, there are no issues of a material nature that we need to bring to the attention of the Council.
- 23** We have not provided a comprehensive statement of all weaknesses which may exist in internal control or of all improvements which may be made, but have addressed only those matters which have come to our attention as a result of the audit procedures we have performed.

Matters specifically required by other auditing standards

- 24 Other auditing standards require us to communicate with you in other specific circumstances including:
- where we suspect or detect fraud;
 - where there is an inconsistency between the financial statements and other information in documents containing the financial statements; and
 - non-compliance with legislative or regulatory requirements and related authorities.

There are no issues to report to you.

Any other matters of governance interest

- 25 Finally, we are required to report any other matters that we believe to be of governance interest. We report these matters in Table 1 below.

Table 1 Other matters of governance interest

There are a number of other matters that we would like to bring to the attention of those charged with governance

Area	Auditor responsibility	Impact
Statement of internal control (SIC)	The auditor reviews the SIC for compliance with the requirements of proper practice as specified by CIPFA and consistency with other information from the audit of the financial statements.	Our work in respect of the Authority's Statement on Internal Control found no issues to report.
Whole of Government Accounts' consolidation pack	The auditor is responsible for issuing a report on the consistency of the Authority's consolidation pack with the statutory financial statements.	An unqualified report will be issued in respect of the Authority's consolidation pack.

Letter of representation

- 26 We obtain written representations from management as an acknowledgement of its responsibility for the fair presentation of the financial statements and as audit evidence on matters material to the financial statements. The required letter of representation has been completed on behalf of the Authority by the Director of Finance, and is included at Appendix 6.

Next steps

- 27 We are drawing these matters to the Council's attention so that you can consider them before the financial statements are approved and certified at the General Purposes Committee meeting on 27 September 2006.

Use of resources

Value for money conclusion

- 28** The Code requires us to reach a conclusion on whether we are satisfied that the Authority has proper arrangements in place for securing economy, efficiency and effectiveness in its use of your resources (the value for money conclusion). In meeting this responsibility, we will review evidence that is relevant to the Authority's corporate performance management and financial management arrangements. Our work in reaching the value for money conclusion is integrated with our work on the use of resources assessment. The use of resources assessment is a qualitative assessment of the effectiveness of the Authority's arrangements to secure economy, efficiency and effectiveness in its use of resources. The five areas we make assessments on are; financial statements, financial management, financial standing, internal control and value for money.
- 29** We have completed our work in relation to the use of resources and there are no matters which we wish to draw to the attention of the General Purposes Committee.

Use of auditors' statutory powers

- 30 Auditors are required to consider the exercise of certain statutory powers during the course of the audit, as summarised in Table 2 below.

Table 2 Use of statutory powers

Issue	Auditor responsibility	Impact
Section 8 reports	Section 8 of the Act requires that auditors should consider whether, in the public interest, they should report on any matter that comes to their attention in the course of the audit so that it may be considered by the body concerned or brought to the attention of the public.	There have been no section 8 reports in respect of the financial year 2005/2006.
Section 11 recommendations	To consider whether a written recommendation should be made to the audited body requiring it to be considered and responded to publicly.	There have been no s11 recommendations.
Best value	To consider whether to recommend that the Audit Commission should carry out a best value inspection of the Authority under section 10 of the Local Government Act 1999 and/or that the Secretary of State should give a direction under section 15 of that Act.	Our work in respect of the Authority's 2005/2006 Best Value Performance Plan (BVPP) was reported in the 2005 annual audit and inspection letter. No recommendations were made to the Audit Commission or the Secretary of State.

Closing remarks

- 31 A draft of this report has been discussed with the Chief Executive and Director of Finance on 11th September 2006, and will be presented to the General Purposes Committee on 27 September 2006.
- 32 The report makes four recommendations, and an action plan is included at Appendix 7, which includes responses from management and indicative target dates for implementation.
- 33 The Authority has taken a positive and constructive approach to our audit and I would like to take this opportunity to express my appreciation for the Authority's assistance and co-operation.

Nick Ward

District Auditor

September 2006

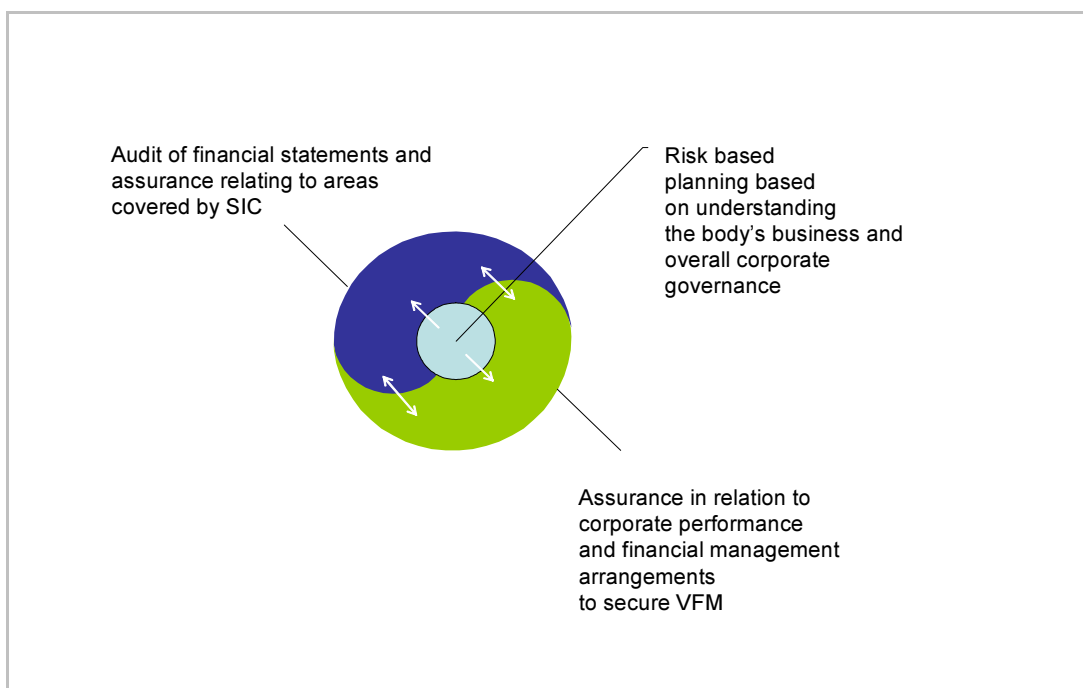
Appendix 1 – Audit responsibilities and approach

Audit objectives

- 1 Our objective as your appointed auditor is to plan and carry out an audit that meets the requirements of the Code of Audit Practice. We adopt a risk-based approach to planning our audit, and our audit work has focused on the significant risks that are relevant to our audit responsibilities.

Figure 1 Code of Audit Practice

Code of practice responsibilities



Approach to the audit of the financial statements

- 2 In our approach to auditing the financial statements, we adopt a concept of materiality. Material errors are those which might be misleading to a reader of the financial statements. We seek, in planning and conducting our audit of the accounts, to provide reasonable assurance that your financial statements are free of material misstatement. In planning our work we considered the arrangements of the Authority which had most impact on our opinion. These included:

- the standard of the overall control environment and internal controls;
 - reliance on internal audit;
 - the likelihood of material misstatement occurring from of material information systems; or a material error failing to be detected by internal controls;
 - any changes in financial reporting requirements; and
 - the effectiveness of procedures for producing the financial statements and supporting material.
- 3 The results of the above feed into our risk assessment which determines the level and type of testing undertaken on each element of the financial statements. The key risk that we identified is the:
- risk of material error in the financial statements.

Approach to audit of arrangements to secure value for money

- 4 The scope of these arrangements is defined in paragraph 20 of the Code as comprising:
- corporate performance management; and
 - financial management arrangements.
- 5 Our conclusion is informed and limited by reference to relevant criteria covering specific aspects of audited bodies' arrangements, specified by the Code.
- 6 In planning audit work in relation to the arrangements for securing economy, efficiency and effectiveness in the use of resources, considered and assessed relevant significant business risk. Significance is defined by the Code as 'a matter of professional judgment and includes both quantitative and qualitative aspects of the risk'.
- 7 The potential sources of assurance when reaching the value for money conclusion include:
- the Authority's whole system of internal control as reported in its statement on internal control;
 - results from statutory inspections or the work of other regulators, for example, corporate assessments, service assessments (whether by the Commission or other regulators), etc.;
 - work specified by the Audit Commission, for example, the use of resources assessments, and data quality work;

- links to the financial statements' audit, including review of internal audit, the SIC and budgetary control arrangements; and
- other work necessary to discharge our responsibilities.

Appendix 2 – Audit reports issued

Table 3

Planned output	Planned date of issue	Actual date of issue	Addressee
Audit and inspection plan	March 2006	March 2006	Audit Committee
Use of resources assessment	March 2006	March 2006	Management
Annual governance report	September 2006	September 2006	General Purposes Committee
Opinion on financial statements	September 2006	September 2006	The Authority
Value for money conclusion	September 2006	September 2006	The Authority
Final accounts memorandum	October 2006		Management
Relationship Manager's Letter	March 2007		Members

Appendix 3 – Fee information

Table 4

Fee estimate	Plan 2005/06	Actual 2005/06
Audit		
Accounts	51,452	51,452
Use of resources	22,187	22,187
Total audit fees*	73,639	73,639

* The outturn on inspection and grant certification fees will be reported in the Relationship Manager's Letter

Appendix 4 – The Audit Commission’s requirements in respect of independence and objectivity

- 1** We are required by the standard to communicate following matters to the General Purposes Committee:
 - the principal threats, if any to objectivity and independence identified by the auditor, including consideration of all relationships between the Authority, directors and the auditor;
 - any safeguards adopted and the reasons why they are considered to be effective;
 - any independent partner review;
 - the overall assessment of threats and safeguards; and
 - information about the general policies and processes for maintaining objectivity and independence.
- 2** We are not aware of any relationships that may affect the independence and objectivity of the team, and which are required to be disclosed under auditing and ethical standards.

Appendix 5 – Independent auditor’s report to the Members of Tonbridge and Malling Borough Council

Opinion on the financial statements

I have audited the financial statements of Tonbridge and Malling Borough Council for the year ended 31 March 2006 under the Audit Commission Act 1998, which comprise the Consolidated Revenue Account, the Collection Fund, the Consolidated Balance Sheet, the Statement of Total Movements in Reserves, the Cash Flow Statement, and the related notes. These financial statements have been prepared under the accounting policies set out within them.

This report is made solely to Tonbridge and Malling Borough Council in accordance with Part II of the Audit Commission Act 1998 and for no other purpose, as set out in paragraph 36 of the Statement of Responsibilities of Auditors and of Audited Bodies prepared by the Audit Commission.

Respective responsibilities of the Chief Finance Officer and auditors

The Chief Finance Officer’s responsibilities for preparing the financial statements in accordance with applicable laws and regulations and the Statement of Recommended Practice on Local Authority Accounting in the United Kingdom 2005 are set out in the Statement of Responsibilities.

My responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

I report to you my opinion as to whether the financial statements present fairly the financial position of the Authority in accordance with applicable laws and regulations and the Statement of Recommended Practice on Local Authority Accounting in the United Kingdom 2005.

I review whether the statement on internal control reflects compliance with CIPFA's guidance, 'The Statement on Internal Control in Local Government: Meeting the Requirements of the Accounts and Audit Regulations 2003' published on 2 April 2004. I report if it does not comply with proper practices specified by CIPFA or if the statement is misleading or inconsistent with other information I am aware of from my audit of the financial statements. I am not required to consider, nor have I considered, whether the statement on internal control covers all risks and controls. I am also not required to form an opinion on the effectiveness of the Authority's corporate governance procedures or its risk and control procedures

I read other information published with the financial statements, and consider whether it is consistent with the audited financial statements. This other information comprises only the Explanatory Foreword. I consider the implications for my report if I become aware of any apparent misstatements or material inconsistencies with the financial statements. My responsibilities do not extend to any other information.

Basis of audit opinion

I conducted my audit in accordance with the Audit Commission Act 1998, the Code of Audit Practice issued by the Audit Commission and International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the Authority in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Authority's circumstances, consistently applied and adequately disclosed.

I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming my opinion I also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In my opinion the financial statements present fairly, in accordance with applicable laws and regulations and the Statement of Recommended Practice on Local Authority Accounting in the United Kingdom 2005, the financial position of the Authority as at 31 March 2006 and its income and expenditure for the year then ended.

Signature (Nick Ward, District Auditor)

Date

Address: 16 South Park
Sevenoaks
Kent TN13 1AN

Conclusion on arrangements for securing economy, efficiency and effectiveness in the use of resources

Authority's Responsibilities

The Authority is responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources, to ensure proper stewardship and governance, and to regularly review the adequacy and effectiveness of these arrangements.

Under the Local Government Act 1999, the Authority is required to prepare and publish a best value performance plan summarising the Authority's assessment of its performance and position in relation to its statutory duty to make arrangements to ensure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

Auditor's Responsibilities

I am required by the Audit Commission Act 1998 to be satisfied that proper arrangements have been made by the Authority for securing economy, efficiency and effectiveness in its use of resources. The Code of Audit Practice issued by the Audit Commission requires me to report to you my conclusion in relation to proper arrangements, having regard to relevant criteria specified by the Audit Commission for principal local authorities. I report if significant matters have come to my attention which prevent me from concluding that the Authority has made such proper arrangements. I am not required to consider, nor have I considered, whether all aspects of the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

I am required by section 7 of the Local Government Act 1999 to carry out an audit of the authority's best value performance plan and issue a report:

- certifying that I have done so;

- stating whether I believe that the plan has been prepared and published in 1999 accordance with statutory requirements set out in section 6 of the Local Government Act 1999 and statutory guidance; and
- where relevant, making any recommendations under section 7 of the Local Government Act.

Conclusion

I have undertaken my audit in accordance with the Code of Audit Practice and I am satisfied that, having regard to the criteria for principal local authorities specified by the Audit Commission and published in July 2005, in all significant respects, Tonbridge and Malling Borough Council made proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ending 31 March 2006.

Best Value Performance Plan

I issued my statutory report on the audit of the Authority's best value performance plan for the financial year 2005/06 on 8 December 2005. I did not identify any matters to be reported to the Authority and did not make any recommendations on procedures in relation to the plan.

Certificate

I certify that I have completed the audit of the accounts in accordance with the requirements of the Audit Commission Act 1998 and the Code of Audit Practice issued by the Audit Commission.

Signature (Nick Ward, District Auditor)

Date

Address: 16 South Park
Sevenoaks
Kent TN13 1AN

Appendix 6 – Letter of representation

Mr N Ward
The Audit Commission
16 South Park
SEVENOAKS
Kent
TN13 1AN

Contact	Mrs S J Shelton
Direct line	01732 876092
Email	sharon.shelton@tmbc.gov.uk
Fax	01732 873530
Your ref	
Our ref	F/1/PR.5.5
Date	13 September 2006

Dear Nick

Audit for the year ended 31 March 2006

Letter of Representation

I confirm to the best of my knowledge and belief, having made appropriate enquiries of other senior officers of Tonbridge & Malling BC, the following representations given to you in connection with your audit of the Council's financial statements for the year ended 31 March 2006.

I acknowledge my responsibility under the relevant statutory authorities for preparing the financial statements which present fairly and for making accurate representations to you.

The Council has no plans or intentions that may materially alter the carrying value or classification of assets and liabilities reflected in the financial statements.

Supporting records

All the accounting records have been made available to you for the purpose of your audit and all the transactions undertaken by the Council have been properly reflected and recorded in the accounting records. All other records and related information, including minutes of all Committee meetings, have been made available to you.

Specific representations

There are no other material amounts relating to unfunded liabilities, curtailments or settlements of past service costs relating to pension provision other than those which have been properly recorded and disclosed in the financial statements.

Related party transactions

I confirm the completeness of the information provided regarding the identification of related parties.

The identity of, and balances and transactions with, related parties have been properly recorded and, where appropriate, adequately disclosed in the financial statements.

Contingent liabilities

There are no other contingent liabilities other than those that have been properly recorded and disclosed in the Statement of Accounts. In particular:
there is no significant pending or threatened litigation;
there are no material commitments or contractual issues, other than those already disclosed in the financial statements; and
no financial guarantees have been given to third parties other than those already disclosed in the financial statements .

Going Concern

There are no events, conditions or related business risks which cast doubt over the Council as a going concern.

Law, regulations and codes of practice

There are no instances of non-compliance with laws, regulations and codes of practice, likely to have a significant effect on the finances or operations of the Council.

In all material respects, the expenditure and income disclosed in the financial statements has been applied to purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Irregularities

I acknowledge my responsibility for the design and implementation of internal control systems to prevent and detect error.

There have been no:
irregularities involving management or employees who have significant roles in the system of internal accounting control;
irregularities involving other employees that could have a material effect on the financial statements;
communications from regulatory agencies concerning non-compliance with, or deficiencies on, financial reporting practices which could have a material effect on the financial statements.

Restoration of Hadlow Tower

The Council has agreed to stand as financial guarantor in respect of a loan granted of £100,000 by the Architectural Heritage Fund to the Vivat Trust for the restoration of Hadlow Tower pending receipt of grant monies (£2,000,000) from the Heritage Lottery Fund. The Chief Solicitor and Director of Planning & Transportation have confirmed that the loan guarantee agreement ends on 6 June 2007.

Post balance sheet events

Since the date of approval of the financial statements by Members of the Council, no additional significant post balance sheet events have occurred which would require additional adjustment or disclosure in the financial statements.

Signed on behalf of Tonbridge & Malling Borough Council.

Signed

Name: Sharon Shelton
Position: Director of Finance
Date: 13 September 2006

Appendix 7 – Action Plan

Page no.	Recommendation	Priority 1 = Low 2 = Med 3 = High	Responsibility	Agreed	Comments	Date
	R1 Review capital budgeting processes to ensure that schemes are periodically re-appraised to make more effective use of funds available.	2	Director of Finance	Yes	<p>The capital plan budget monitoring processes are the subject of a review. The review will consider how monitoring statements can be improved to better measure efficiency in delivering the capital plan.</p> <p>It is the Director of Finance's intention to present a report to Management Team for consideration by the end of October 2006</p>	October 2006
	R2 Undertake a thorough review of Intangible Assets during 2006/07 and identify assets which have been incorrectly categorised.	2	Director of Finance	Yes	A review of these assets classified as 'Intangible' is to be undertaken as part of the forthcoming capital plan review process. Assets will be reclassified where appropriate.	2006/07

Page no.	Recommendation	Priority 1 = Low 2 = Med 3 = High	Responsibility	Agreed	Comments	Date
	R3 Review the bank reconciliation to simplify the process and to facilitate management and audit review.	2	Director of Finance	Yes	A review of the end of year bank reconciliation process is to be carried out before the year end with the intention of simplifying the process where appropriate	2006/07
	R4 LSBU management should periodically review sales ledger activity in order to ensure that all income is raised on a timely basis and is accounted for in the correct accounting period.	3	Director of Leisure	Yes	Action to be taken will be discussed by the Director of Leisure, Chief Leisure Officer, Leisure Contracts Manager and Principal Accountant at the forthcoming meeting of the Leisure Management Review Group in September 2006	September 2006