

26 September 2012

Members
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— Dear Member

Draft Tonbridge & Malling Borough Council: Annual Audit Letter 2011/12

I am pleased to submit my Annual Audit Letter which summarises the findings from my 2011/12 audit of Tonbridge & Malling Borough Council.

Financial statements

On 25 September 2012 I presented my Annual Governance Report to the General Purposes Committee outlining the findings of my audit of the Council's 2011/12 financial statements. I will not replicate my detailed findings in this letter.

On 26 September 2012 I:

- issued an unqualified opinion on the Council's 2011/12 financial statements;
- concluded that you have made proper arrangements to secure economy, efficiency and effectiveness in your use of resources; and
- certified completion of the audit.

The Council has a very strong process for preparing its annual accounts. The 2011/12 accounts were again produced to a high standard, and supported by clear working paper trails. Only a small number of amendments were required.

Under the Audit Commission framework I consider the Council's arrangements to prioritise its resources and ensure that it has a stable financial position. The Council has a history of effective financial management. It continues to have a strong focus on maintaining a sustainable financial position in the medium term, based on a 10-year Medium Term Financial Strategy (MTFS). This strategy is regularly updated and remains robust, despite uncertainty around the economic environment and future levels of government funding. The MTFS indicates that there is a potential funding gap of £2.5m over a 10 year period. The Council's response has been appropriate, planning ahead in a structured way to review expenditure and considering the medium term implications when making financial decisions. It also recognises the importance of maintaining appropriate levels of reserves. The Council remains well-placed to deliver its strategic financial objectives.

Closing remarks

I have discussed and agreed this letter with the Chief Executive and Director of Finance. This has been another challenging year for all who work in local government. I wish to thank the Audit Committee, the General Purposes Committee, senior management and the finance team for the positive and constructive approach they have taken to my audit.

Yours sincerely

Andy Mack
District Auditor