

Your ref: PMH/BS/5664
 Our ref:

The Committee
 Cobtree Manor Estate
 Maidstone Borough Council
 Maidstone Gateway,
 King Street,
 Maidstone, Kent ME15 6JQ

10th February 2010

Dear Sirs

The purpose of this letter is to report to you the principal findings of our audit work for the year ended 31 March 2009. This management letter is not meant to be an exhaustive list of improvements which are possible, it simply points out matters which actually came to our attention during the course of our audit work. Our audit tests, which are designed to assist us in forming our opinion on the financial statements, may not necessarily disclose all errors or irregularities and should not be relied upon to do so. However, if any irregularity did come to our attention during our audit tests, we would, of course, inform you immediately.

We would like to draw your attention to the following points:

Observations	Comments
<p>1. During the year under review it was noted that the £15,000 deposit from the sale of Gate House was not allocated to the correct code on the Council's accounting software in October 2006, resulting in Current Assets: Deposits Held by MBC and also Other Creditors being understated in the Charity's accounts for both 2007 and 2008.</p>	
<p>2. Another impact of the above omission was that interest was therefore underpaid to the Charity totalling £1,435 for year ending 2007 and 2008.</p> <p>We recommend procedures are put in place to ensure that all Charity receipts are correctly accounted for.</p> <p>In order to assist in this review process we recommend a routine update at all Committee meetings of:</p> <ul style="list-style-type: none"> - the total deposits held by the Council in 	

<p>relation to Endowment Assets;</p> <ul style="list-style-type: none"> - the total amount invested from the Council's own funds towards investment with M&G (on the Charity's behalf). 	
<p>3. Although a Charity fixed asset register is maintained, our audit tests showed this to be incomplete. In order for the trustees to fulfil their responsibilities to safeguard the Charity's assets, we recommend that the 'Schedule of Assets' is regularly reviewed and an appropriate value included in the accounts for all assets under the charity's control.</p>	
<p>4. We understand that you are in the process of putting systems in place to identify and partly recover Council overspend on repair contracts. We welcome this formalisation of procedures and request a copy of the procedures once these are in place.</p>	
<p>5. As stated last year, we recommend a more frequent update of your planned annual investment programme, reconciling the amount spent to the budget balance for the current year and budget brought forward from prior years.</p>	

We would welcome your comments to these recommendations in due course. One of our members of staff would be happy to assist in implementing any of these changes.

Yours faithfully,



King & Taylor