



ISSUES ARISING REPORT FOR
Cramlington Town Council
Audit for the year ended 31 March 2016

Introduction

The following matters have been raised to draw items to the attention of Cramlington Town Council. These matters came to the attention of BDO LLP during the audit of the annual return for the year ended 31 March 2016. This report must be presented to a full meeting of the smaller authority for review.

The audit of the annual return may not disclose all shortcomings of the systems as some matters may not have come to the attention of the auditor. For this reason, the matters raised may not be the only ones that exist.

The matters listed below are explained in further detail on the page(s) that follow;

- Approval of Annual Return
 - Risk Assessment - not minuted
-

The following issue(s) have resulted in the annual return being qualified. They indicate a weakness in the council's procedures and require the council to take immediate action.

Risk Assessment - not minuted

What is the issue?

The smaller authority has not minuted its review of effectiveness of internal control including its risk assessment during the year.

Why has this issue been raised?

This is a breach of regulation 4 of the Accounts and Audit Regulations 2015 which requires smaller authorities to review the effectiveness of internal control which includes arrangements for the management of risk.

What do we recommend you do?

The smaller authority must ensure that the risk assessment is reviewed and this review is minuted at least once a year before the end of the financial year. This review is for the smaller authority to evidence as a whole that they are satisfied that all the risks facing the smaller authority have been identified and safeguards have been put in place to protect against those risks.

Further guidance on this matter can be obtained from the following source(s):

Governance and Accountability in Local Councils in England - A Practitioners Guide, NALC/SLCC
Audit Briefing, Winter 2012 - BDO LLP

The following issue(s) have been raised to assist the council. The council is recommended to take action on the following issue(s) to ensure that the council acts within its statutory and regulatory framework.

Approval of Annual Return

What is the issue?

The Minutes of the authority indicate that the Accounting Statements (Section 2) of the annual return has been approved before the Annual Governance Statement (Section 1).

The Accounts and Audit Regulations 2015 prescribed order for the approval of the Annual Return, regulation 6(4)(a) states that "The annual governance statement...must be approved in advance of the relevant authority approving the statement of accounts"

Why has this issue been raised?

The Annual Governance Statement and Accounting Statements have not been approved in accordance with the Accounts and Audit Regulations 2015.

What do we recommend you do?

The smaller authority must ensure in future years that the Annual Governance Statement is minuted before the Accounting Statements.

Further guidance on this matter can be obtained from the following source(s):

The Accounts and Audit Regulations 2015 - [Legislation.gov.uk](http://legislation.gov.uk)

No other matters came to our attention.

For and on behalf of
BDO LLP

Date: 22 August 2016
