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Mr G Keedy
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Tyne and Wear
NE34 0DY

16 September 2015
our ref: 2015/A1/WEST61/FINAL
Dial: 023 8088 1700
Email: councilaudits@bdo.co.uk

Dear Mr Keedy

West Rainton Parish Council - Audit for the year ended 31 March 2015

We have now completed the above audit. Please find enclosed the following documents;

- Fee Note
- Notice of Conclusion of Audit
- Notes regarding the advertisement of the Conclusion of the Audit
- Issues arising from the audit
- Date selection form for 2015/16
- Contact details
- Survey 2014/15
- Annual Return

The enclosed annual return should be presented to the council/body/board, now that our audit opinion has been given, and a minute should be made to show that the Annual Return has been approved and accepted by the council/body/board. The issues arising report should also be presented to the council/body/board and an action plan produced, if required, to indicate how the issues raised will be addressed. The annual return and notice of conclusion of audit should be displayed in a conspicuous place(s) for 14 days as soon as reasonably possible and before the 30 September 2015.



If you have any questions please contact Louise Caplen in the first instance.

Yours sincerely

Mrs Emma Prince
For and on behalf of BDO LLP

Enc.





ISSUES ARISING REPORT FOR
West Rainton Parish Council
Audit for the year ended 31 March 2015



BDO

Introduction

The following matters have been raised to draw items to the attention of West Rainton Parish Council. These matters came to the attention of BDO LLP during the audit of the annual return for the year ended 31 March 2015.

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;

- Minor issues
 - Risk Assessment
 - Fixed assets
-

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

What is the issue?

The council have not carried out a risk assessment as part of its review of the effectiveness of internal control during the year.

Why has this issue been raised?

This is a breach of regulation 4 of the Accounts and Audit (England) Regulations 2011 which requires authorities to review the effectiveness of internal control which includes arrangements for the management of risk.

What do we recommend you do?

The council must ensure that a risk assessment is carried out as part of its review of the effectiveness of internal control before the end of the financial year. This review of effectiveness of internal control and risk assessment must be reviewed and minuted as evidence of the review being undertaken annually before the end of the financial year.

The council should decide which risks it faces and how it is going to reduce the impact of these risks on the council's ability to provide its services. An example of the risks and how they can be handled is included in "A Practitioner's Guide" published by NALC & SLCC. An example risk table is available on our extranet to assist the council in assessing and clarifying their risks. If the council decides to utilise this table then it should be reviewed in detail, modified and adapted to the council's specific needs. If you do not have access to the internet, contact us and we can supply you with a copy.

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

Fixed assets

What is the issue?

It has come to our attention that fixed assets have been included in box 9 at a valuation amount. All assets should be included at cost. An exercise to review all assets held is being undertaken in the current financial year.

Councils should not adjust assets disclosed on the annual return for revaluations, depreciation or impairment. The only movements on assets should be the cost of additions or the cost value of any disposals.

Why has this issue been raised?

The accounting treatment is not in compliance with proper practices.

What do we recommend you do?

The council must ensure that the asset value in box 9 only represents the cost to the council of the assets held.

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

The following issue(s) have been raised as there are minor errors on the annual return which we wish to draw to the attention of the council so they do not occur again in future years.

Minor issues

What is the issue?

The following issues have been raised as minor issues or omissions have been identified in the current year's Annual Return:

The figures inserted in box 7 and 8 do not agree by £4. The accounts were prepared on a receipts and payments basis and therefore box 7 and 8 should agree.

Why has this issue been raised?

This is to draw these minor errors to the attention of the council.

What do we recommend you do?

The council should ensure in future years that the above minor errors or omissions are not included in the Statement of Accounts.

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

No other matters came to our attention.

For and on behalf of
BDO LLP

Date: 15 September 2015
