



**ISSUES ARISING REPORT FOR
Haverhill Town Council
Audit for the year ended 31 March 2011**

BDO

Introduction

The following matters have been raised to draw items to the attention of Haverhill Town Council. These matters came to the attention of BDO LLP during the audit of the annual return for the year ended 31 March 2011.

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;

- Risk Assessment
 - Minuting Approval of Annual Return
 - Asset Register
-

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 risk assessment provided has been reviewed and there are further risks the council may need to consider.

Why has this issue been raised?

This is a breach of regulation 4 of the Accounts and Audit (England) Regulation 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 should review their risk assessment at least annually and before the end of the financial year and minute this review. By ensuring the risk register is regularly reviewed and updated, and action taken where appropriate, the council will be able to ensure that they are undertaking adequate risk management procedures as required by the Accounts and Audit (England) Regulations 2011.

The council should review the risk assessment guide and examples on our extranet and, taking into consideration all of the points, review their current risk assessment. 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 2010 - BDOSH

The following issue(s) have been raised to assist the council in improving its internal controls or working practices. The council is recommended to consider these but is under no statutory obligation to act upon them.

Asset Register

What is the issue?

The council's asset register does not contain some or all of the following information for each asset held;

- date acquired;
- purchase cost, and
- location held.

Why has this issue been raised?

The council is at risk of not safeguarding its assets.

What do we recommend you do?

The council must update its fixed asset register to include date acquired, purchase cost and location held of each asset held as soon as possible or in any event before the end of the current financial year.

An asset register should be in existence to help ensure that the recorded value of assets and investments is, as far as possible, accurate and to ensure the council is safeguarding its assets. The accuracy of such a register should be verified by the Internal Auditor in their annual review of the internal controls of the council.

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, Spring 2011 - 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.

Minuting Approval of Annual Return

What is the issue?

The minutes supplied did not specifically minute the council's approval of Section 1 - Accounting Statements, Section 2 - Annual Governance Statement and the yes/no answers to Section 2.

Why has this issue been raised?

Failure to minute the approval of the Statement of Accounts and the Annual Governance Statement has exposed the council to undue risk of non adoption of the Annual Return.

What do we recommend you do?

The council must ensure in future years that the minutes clearly state their acceptance of Section 1 - Accounting Statements and Section 2 - Annual Governance Statement and the minutes record their specific answers to Section 2.

It is essential that minutes clearly record the decisions of the council as they are the lawful record of the events of the council meetings.

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

Local Council Administration, 7th Edition, Charles Arnold-Baker; Chapter 7
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: 22 September 2011
