

Mountsett Crematorium Joint Committee

05 October 2012

**External Audit Report - Issues Arising
Report & Response for the Year Ended 31
March 2012**



Joint Report of Terry Collins – Corporate Director: Neighbourhood Services; Don McLure – Corporate Director: Resources and Treasurer to the Joint Committee

Purpose of the Report

- 1 The purpose of the report is to present to the Mountsett Crematorium Joint Committee, the External Auditors (BDO LLP) Annual Return Certificate and Issues Arising Report for the year ended 31 March 2012.
- 2 The report also details responses to the findings and recommendations identified within the Issues Arising Report for consideration by members.

Background

- 3 In June 2012, in line with the statutory requirements of a Smaller Relevant Body, the Mountsett Crematorium Joint Committee submitted the Small Bodies in England Annual Return for the year ended 31st March 2012 to BDO LLP for audit under the limited assurance audit regime.
- 4 This audit has now been finalised and BDO LLP have given an unqualified opinion on the Annual Return, having not identified any material issues or weaknesses. The Issues Arising Report dated 30 August 2012 has been received and is attached at Appendix 2).

External Audit Recommendations and Action Plan

- 5 The Audit has not highlighted any material weaknesses around the Joint Committees system of internal control. It has, however, identified two minor issues around the initialling of formal minutes and the updating of financial regulations and standing orders within the County Council.
- 6 The following recommendations have been made by the External Auditors. An action plan has also been implemented in order to strengthen the internal control arrangements of the Joint Committee.

R1: Minutes

'The body should ensure with immediate effect that if a loose leaf minute book is maintained, the loose leaf pages are consecutively numbered and initialled by the person signing the minutes'

The Clerk to the Joint Committee will, following each future meeting arrange for the presiding Chair to initial each page of the minutes. The last page will continue to be signed as follows:

Signed by Councillor
(Chair to the Mountsett Crematorium Joint Committee on
XX Month XXXX)

The minutes will then be placed into the ongoing minute book, consecutively numbered and bound (one file copy, one archived).

R2: Financial Regulations

'The body's Financial Regulations require updating in order to reference the Accounts and Audit Regulations 2011, if the body has not yet updated the Standing Orders and Financial Regulations, they must do so as soon as possible, or in any event before the end of the current financial year'

The Joint Committee have adopted the Standing Orders and Financial Regulations of the lead Authority Durham County Council. The required updates being will be considered through the relevant Lead Authority channels. A further update will be presented to the Joint Committee following such consideration by the Lead Authority.

Members should note however that whilst the documents contain reference to an older version of the Accounts and Audit Regulations (2006), all financial administration and stewardship responsibilities of the Joint Committee have been undertaken in line with the Accounts and Audit Regulations 2011.

- 7 The actions identified above demonstrate the commitment of the Joint Committee in ensuring that all systems of internal control are as robust as possible.

8 Recommendations and Reasons

It is recommended that:-

- Members note the External Audit certificate and recommendations included in the Issues Arising Report for the year ended 31 March 2012.
- Members note the response and action plan to the External Audit issues Arising Report.
- Members approve and accept the External Audit Certified Annual Return

Appendix 1: Implications

Finance

There are no financial implications associated with this report.

Staffing

There are no staffing implications associated with this report.

Risk

Addressing the recommendations identified in the External Auditor's Issues Arising Report for the year ended 31st March 2012 will ensure that the Joint Committee will improve its governance arrangements and address the minor inefficiencies identified with regards to the maintenance of the Joint Committees books and records. Failure to address these concerns could potentially adversely affect future audit conclusions and could also affect the working relationship that exists with our internal and external auditors.

Equality and Diversity / Public Sector Equality Duty

There are no Equality and Diversity implications associated with this report.

Accommodation

There are no Accommodation implications associated with this report.

Crime and Disorder

There are no Crime and Disorder implications associated with this report.

Human Rights

There are no Human Rights implications associated with this report

Consultation

None however, Officers of Gateshead Council were provided with a copy of the report and given opportunity to comment / raise any detailed questions on the content of the report in advance of circulation to Members of the Mountsett Crematorium.

Procurement

None

Disability Issues

None

Legal Implications

The Accounts and Audit Regulations and Code of Practice set out the legal and regulatory framework in which the accounts of the Joint Committee are prepared. The proposals within this report seek to strengthen the Joint Committees compliance with these.