



ISSUES ARISING REPORT FOR  
North of England Open Air Museum  
Audit for the year ended 31 March 2013

## Introduction

The following matters have been raised to draw items to the attention of North of England Open Air Museum. These matters came to the attention of BDO LLP during the audit of the annual return for the year ended 31 March 2013.

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;

- Bank Account
  - Treatment of salary recharges to Beamish Museum Limited
-

---

The following issue(s) have been raised to assist the readers of the annual return. They require no action to be taken by the body.

#### **Bank Account**

*What is the issue?*

The amount in box 8 represents the amount of funds held by the host authority which are exceeded by payments made by it on behalf of the North of England Open Air Museum. This is not an overdraft but will be cleared when capital grants due on related expenditure is received by the host authority.

*Why has this issue been raised?*

This is a note to the reader of the accounts.

*What do we recommend you do?*

No action is required to be taken.

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 body so they do not occur again in future years.

**Treatment of salary recharges to Beamish Museum Limited**

*What is the issue?*

Boxes 3 & 6 currently contain £927,621 in respect of unpaid salary costs which are due by Beamish Museum Limited to Sunderland City Council. Boxes 3 & 6 do not contain the whole of the salary cost recharges by Sunderland City Council to Beamish Museum Limited via the body.

*Why has this issue been raised?*

The salary costs of Beamish Museum Limited are not costs of the body and therefore should not form part of the body's income and expenditure.

*What do we recommend you do?*

The body should ensure in future any unpaid salary costs of Beamish Museum Limited should be held on the Body's balance sheet in debtors and creditors, with the recharged costs and income being posted to the same income and expenditure code, to ensure that there is no gross up of this expenditure on the Annual return.

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

Not applicable

**No other matters came to our attention.**

For and on behalf of  
BDO LLP

Date: 03 September 2013

---