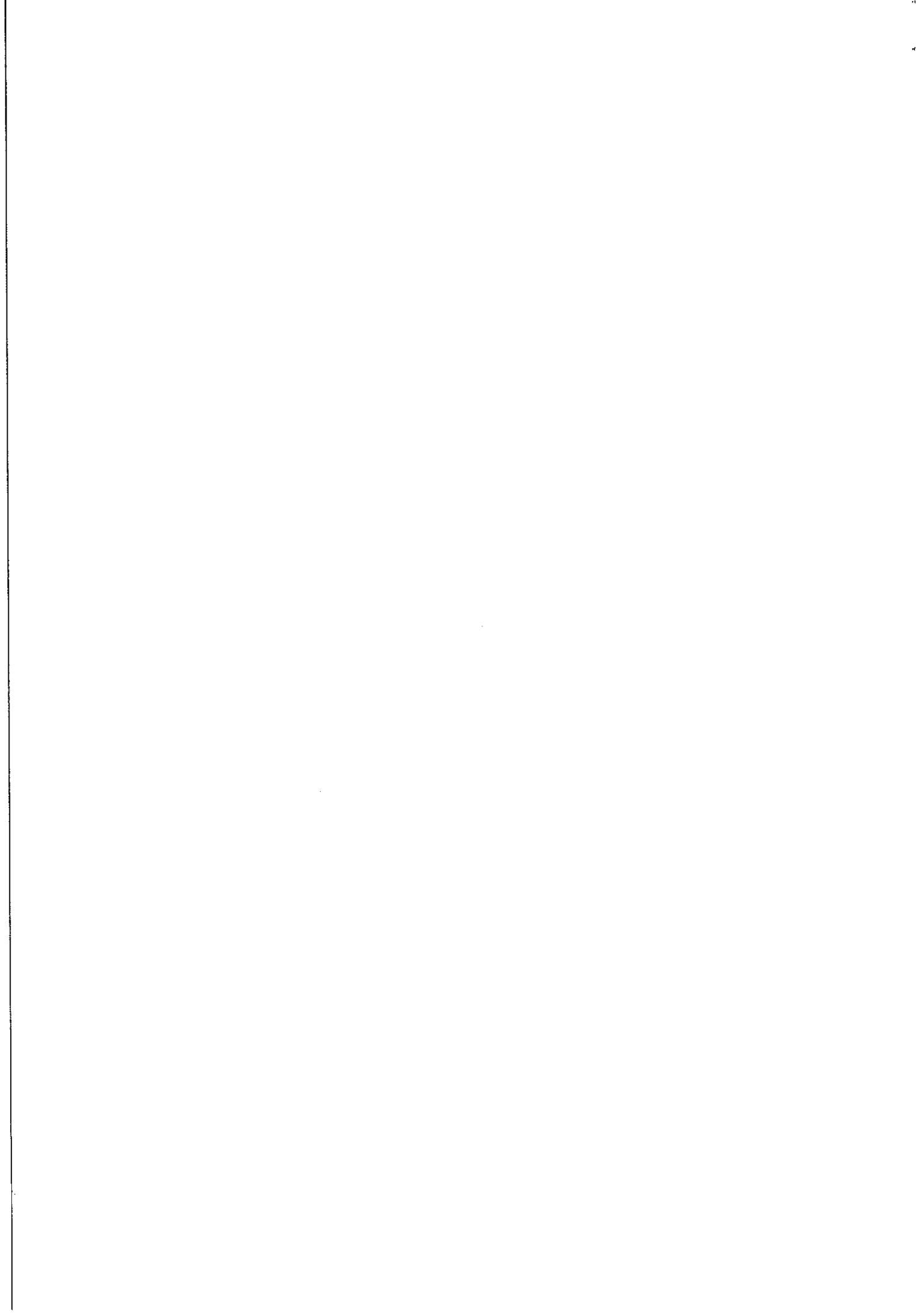


**Issues Arising Report  
for Mountsett Crematorium Joint  
Committee  
Audit for the year ended  
31 March 2009**



**BDO Stoy Hayward**



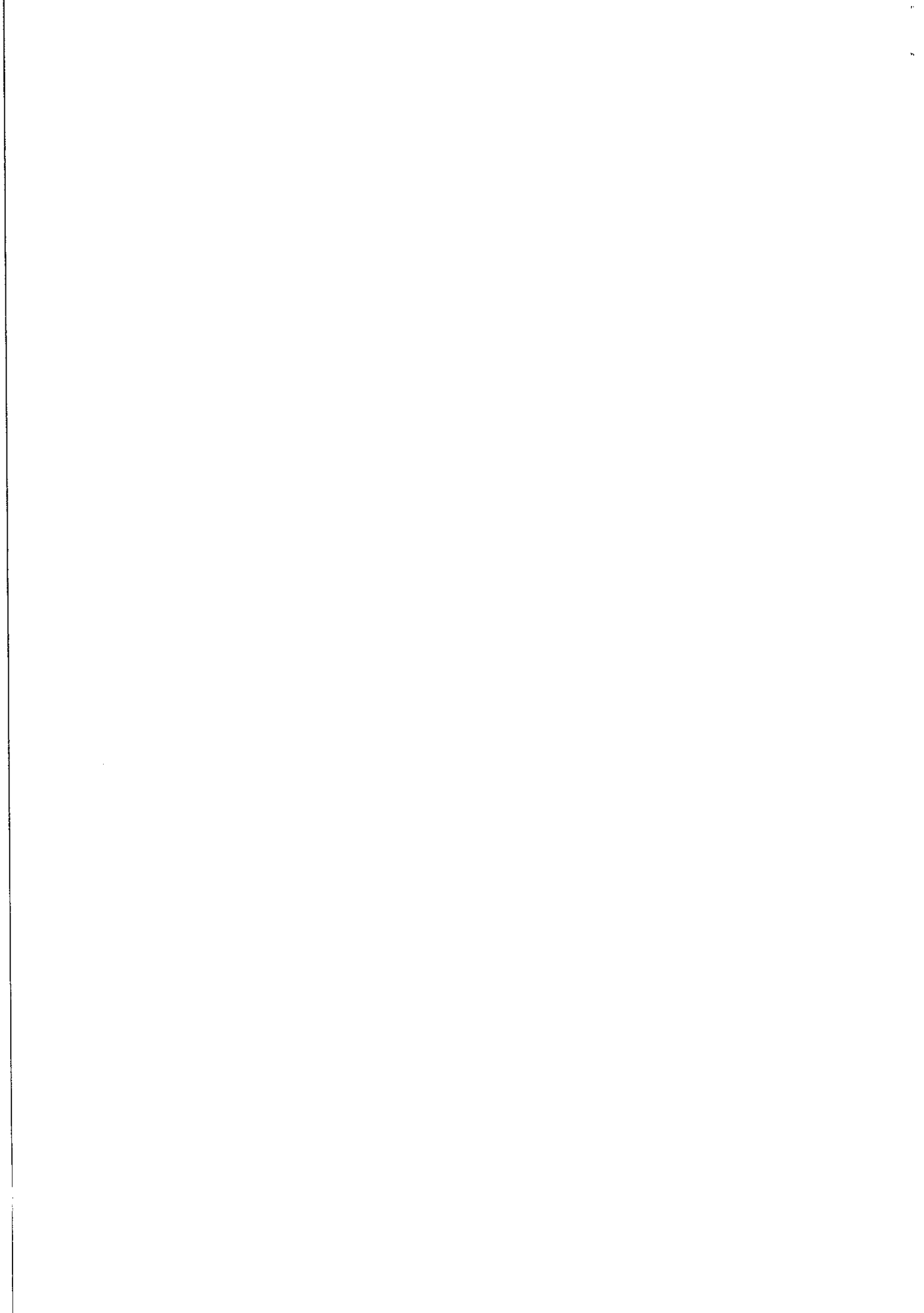
## Introduction

The following matters have been raised to draw items to the attention of Mountsett Crematorium Joint Committee. These matters came to the attention of BDO Stoy Hayward LLP during the audit of the annual return for the year ended 31 March 2009.

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;

- No minute adopting the Freedom of Information Act Publication Scheme
- Review of effectiveness of internal audit
- Budgetary Process
- Risk assessment



**The following issues have resulted in the annual return being qualified. They indicate a weakness in the body's procedures and they require the body to take immediate action.**

### **Review of effectiveness of internal audit**

#### *What is the issue?*

The body did not review the effectiveness of the internal audit.

When performing their review of the effectiveness of the internal audit, it is important that the following areas are reviewed:

- Scope of the internal audit
- Independence
- Competence
- Relationships
- Audit planning and reporting

#### *Why has this issue been raised?*

The Accounts and Audit (Amendment) (England) Regulations 2006, regulation 6(3) is an explicit requirement for authorities to conduct a review at least annually of the effectiveness of its system of internal audit.

#### *What do we recommend you do?*

The body should ensure a review of the effectiveness of the internal audit is undertaken at least annually and minuted as such during the year ended 31 March, this review is recommended to be undertaken when reviewing the risk assessment. Examples of how to undertake the review can be found on our Local Council extranet. If you do not have access to the internet please request copies of the documents from us.

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

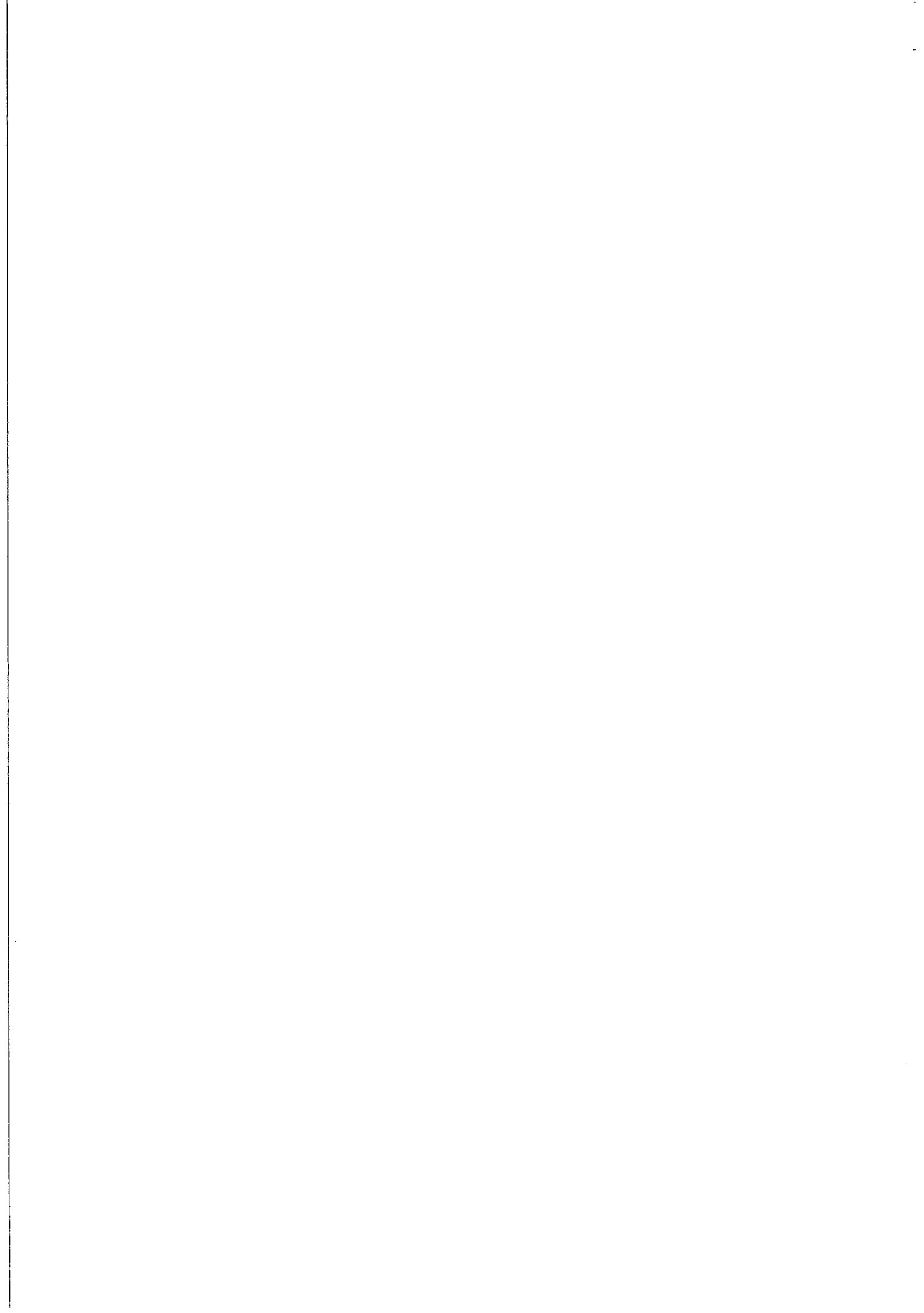
Accounts and Audit (Amendment) (England) Regulations 2006  
Office of Public Sector Information website,  
([www.opsi.gov.uk/si/si2006/uksi\\_20060564\\_en.pdf](http://www.opsi.gov.uk/si/si2006/uksi_20060564_en.pdf))  
Local Council Briefing spring 2009 - BDOSH  
BDO Extranet - [www.bdo.co.uk/BDOSH/councils](http://www.bdo.co.uk/BDOSH/councils)

### **Risk assessment**

#### *What is the issue?*

The body did not undertake a full risk assessment during the year ended 31 March 2009. The body have taken steps to assess the risks they face after the year end which has been reviewed and is adequate.

#### *Why has this issue been raised?*



This is a breach of regulation 4 of the Accounts and Audit (Amendment) (England) Regulation 2006 which requires authorities to provide arrangements for the management of risk.

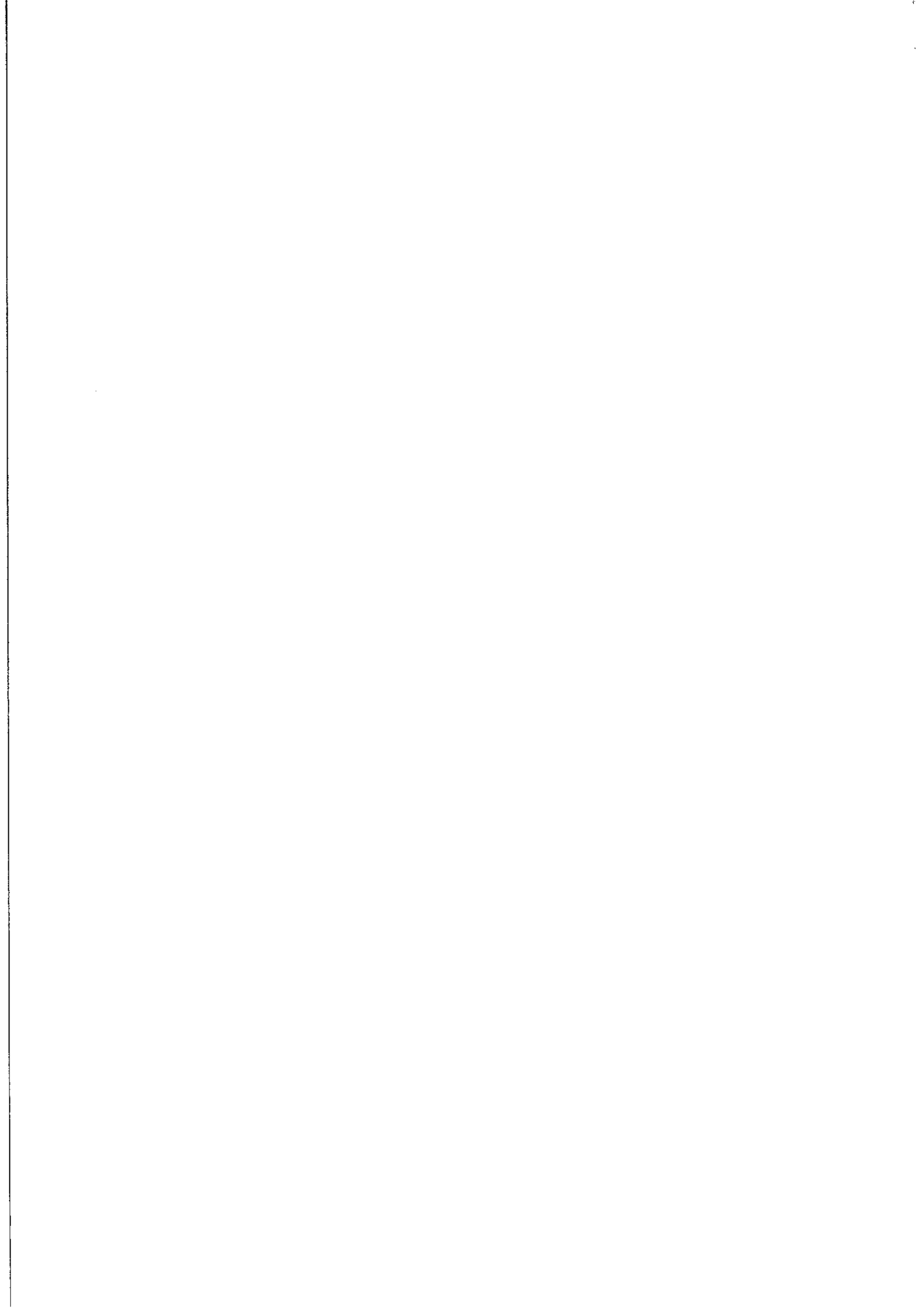
*What do we recommend you do?*

The body must ensure that the risk assessment is reviewed at least annually before the end of the financial year and minuted as reviewed.

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

Governance and Accountability in Local Councils in England and Wales - A Practitioners Guide, NALC/OVW/SLCC

Local Council Briefing, Spring 2008 - BDOSH





**The following issues have been raised to assist the body in improving their internal controls or working practices. The body is recommended to consider these but is under no statutory obligation to act upon them.**

### **Budgetary Process**

#### *What is the issue?*

Although budgets were set the body did not undertake adequate budget monitoring during the financial year.

#### *Why has this issue been raised?*

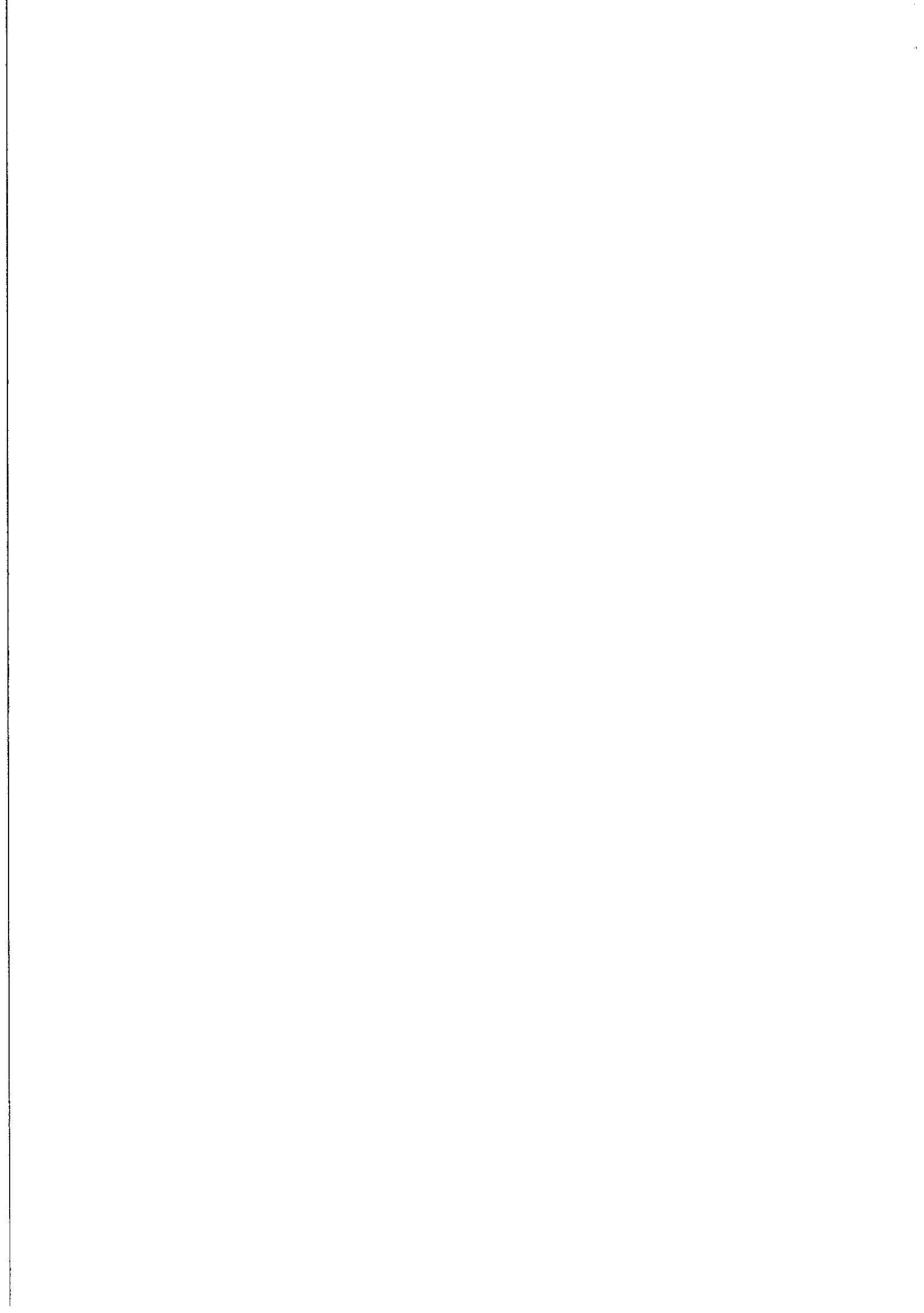
The body demonstrated a lack of financial control over the spending and receipt of public money and were exposed to the risk of overspending.

#### *What do we recommend you do?*

The body in future years must prepare an adequate budget to support its decision making process and to assist the financial management during the financial year. The body must regularly review, and ensure this review of the budget against the actual income and expenditure is minuted. The body should monitor the budget at least quarterly or more frequently if required. The amount of budget monitoring undertaken during the year will depend upon the size of the council and the complexity of its finances.

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

Governance and Accountability in Local Councils in England and Wales - A Practitioners Guide, NALC/OVW/SLCC



**The following issues have been raised to assist the body. The body is recommended to take action on the following issues to ensure that the body acts within its statutory and regulatory framework.**

**No minute adopting the Freedom of Information Act Publication Scheme**

*What is the issue?*

The body have not minuted the formal adoption of the Freedom of Information Act new model Publication Scheme.

*Why has this issue been raised?*

Although the regulations specify that the new Model Scheme is automatically adopted, it is important to note for the record that there have been changes to the practices or procedures of the body.

*What do we recommend you do?*

The body should minute the adoption of the new scheme as soon as possible.

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

[www.ico.gov.uk](http://www.ico.gov.uk)

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

For and on behalf of  
BDO Stoy Hayward LLP

Date: 11 August 2009

