



ISSUES ARISING REPORT FOR
The Charter Trustees for the City of Durham
Audit for the year ended 31 March 2014

Introduction

The following matters have been raised to draw items to the attention of The Charter Trustees for the City of Durham. These matters came to the attention of BDO LLP during the audit of the annual return for the year ended 31 March 2014.

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
 - Minor issues
 - Asset Register
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The following issue(s) have resulted in the annual return being qualified. They indicate a weakness in the body's procedures and require the body to take immediate action.

Risk Assessment

What is the issue?

The small body did not undertake a risk assessment as part of its review of effectiveness of its system of internal control during the year ended 31 March 2014.

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

The body should decide which risks it faces and how it is going to reduce the impact of these risks on the meeting'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 meeting in assessing and clarifying their risks. If the meeting decides to utilise this table then it should be reviewed in detail, modified and adapted to the meeting'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

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

Asset Register

What is the issue?

The body does not have an asset register and it has not disclosed the cost value of its assets in box 9.

Why has this issue been raised?

The body is at risk of not safeguarding its assets.

What do we recommend you do?

The body must compile an asset register as soon as possible or in any event before the end of the current financial year. This register should be verified by the internal auditor during the audit for the next 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 body 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 body.

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 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.

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 body have included grant monies received in box 2, rather than box 3, other receipts.

Why has this issue been raised?

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

What do we recommend you do?

The body 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: 05 September 2014
