



ISSUES ARISING REPORT FOR
Hertford Town Council
Audit for the year ended 31 March 2016

Introduction

The following matters have been raised to draw items to the attention of Hertford Town Council. These matters came to the attention of BDO LLP during the audit of the annual return for the year ended 31 March 2016. This report must be presented to a full meeting of the smaller authority for review.

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;

- Section 2 - Trust Funds Disclosure Note
 - Approval of Annual Return
 - Risk Assessment - approved at a sub committee
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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 council so they do not occur again in future years.

Section 2 - Trust Funds Disclosure Note

What is the issue?

The council has not answered box 11 in error in Section 2 of the annual return. We believe based on the prior year information that the authority should have answered 'No'.

Why has this issue been raised?

The disclosure on the annual return has not been completed, however we believe that the council is not the sole trustee of any charities.

What do we recommend you do?

The council should ensure in future years that it answers 'No', that the council does not act as the sole trustee for and is not responsible for managing trust funds or assets.

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 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.

Approval of Annual Return

What is the issue?

The Minutes of the authority indicate that the Accounting Statements (Section 2) of the annual return has been approved before the Annual Governance Statement (Section 1).

The Accounts and Audit Regulations 2015 prescribed order for the approval of the Annual Return, regulation 6(4)(a) states that "The annual governance statement...must be approved in advance of the relevant authority approving the statement of accounts"

Why has this issue been raised?

The Annual Governance Statement and Accounting Statements have not been approved in accordance with the Accounts and Audit Regulations 2015.

What do we recommend you do?

The smaller authority must ensure in future years that the Annual Governance Statement is minuted before the Accounting Statements.

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

The Accounts and Audit Regulations 2015 - [Legislation.gov.uk](http://legislation.gov.uk)

Risk Assessment - approved at a sub committee

What is the issue?

The smaller authority has minuted its review of the internal controls which include a review of the risk assessment during the year at a sub committee of the full smaller authority.

Why has this issue been raised?

The Accounts and Audit Regulations 2015, require the approval of a risk assessment at a full meeting and not at a sub committee of the smaller authority. Although the minutes of the sub committee were reviewed by the full smaller authority, it did not minute its acceptance of the risk assessment.

What do we recommend you do?

The smaller authority must ensure in future years that the risk assessment is reviewed by a full meeting and not a sub committee.

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

The Accounts and Audit Regulations 2015

No other matters came to our attention.

For and on behalf of
BDO LLP

Date: 16 August 2016
