

**ISSUES ARISING REPORT FOR  
Colne Town Council  
Audit for the year ended 31 March 2017**

## Introduction

The following matters have been raised to draw items to the attention of Colne Town Council. These matters came to the attention of BDO LLP during the review of the annual return for the year ended 31 March 2017. This report must be presented to a full meeting of the smaller authority for review.

The review 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;

- Internal auditor's report
-

The following issues have been raised as we have detected issues with the governance arrangements of the smaller authority. It is recommended that the smaller authority consider these matters and decide what action to take to improve the governance arrangements as soon as possible.

#### **Internal auditor's report**

##### *What is the issue?*

The internal auditor's findings were not reported to the smaller authority.

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

Any potential weaknesses identified by the internal auditor is not being acted upon by the smaller authority during the current financial year.

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

The smaller authority must ensure in future years that the findings of the internal auditor are reported to the smaller authority. The smaller authority must devise an action plan, if there are any issues to report, which ensures the issues are dealt with appropriately. The smaller authority's approval of the audit report and if required details of the action plan should to be recorded in the minutes.

It is essential that minutes clearly record the decisions of the smaller authority as they are the lawful record of the events of the meetings.

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

Local Council Administration, 7th Edition, Charles Arnold Baker, Chapter 18.15 to 18.18.

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## Introduction

The following items are being brought to the attention of the clerk of Colne Town Council. These items came to the attention of BDO LLP during the review of the annual return for the year ended 31 March 2017 but are not required to be reported to the smaller authority. These items are not considered to be either a breach of legislation or proper practices or other matters to report.

The review 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
-

The following matters are being brought to your attention as we have detected administrative matters aimed at improving the review process in the future or items that have changed that we wish you to just note. These matters are not raised as formal matters and do not require reporting to the council.

## **Section 2 - Trust Funds Disclosure Note**

### *What is the issue?*

The Smaller Authority 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 Smaller Authority is not the sole trustee of any charities.

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

The Smaller Authority should ensure in future years that it answers 'No', that the Smaller Authority 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

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

For and on behalf of  
BDO LLP

Date: 08 September 2017

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# Section 3 – External auditor report and certificate

In respect of:

Enter name of  
smaller authority here:

COLNE TOWN COUNCIL

## 1. Respective responsibilities of the body and the auditor

This smaller authority is responsible for ensuring that its financial management is adequate and effective and that it has a sound system of internal control. The smaller authority prepares an annual return in accordance with proper practices which:

- summarises the accounting records for the year ended 31 March 2017; and
- confirms and provides assurance on those matters that are relevant to our duties and responsibilities as external auditors.

Our responsibility is to review the annual return in accordance with guidance issued by the National Audit Office (NAO) on behalf of the Comptroller and Auditor General (see note below). Our work does not constitute an audit carried out in accordance with International Standards on Auditing (UK & Ireland) and does not provide the same level of assurance that such an audit would do.

## 2. 2016/17 External auditor report

~~(Except for the matters reported below)\*~~ on the basis of our review of the annual return, in our opinion the information in the annual return is in accordance with proper practices and no other matters have come to our attention giving cause for concern that relevant legislative and regulatory requirements have not been met. (\*delete as appropriate).

(continue on a separate sheet if required)

Other matters not affecting our opinion which we draw to the attention of the smaller authority:

Please see enclosed report

(continue on a separate sheet if required)

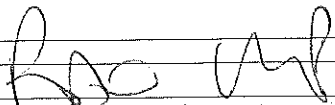
BDO LLP Southampton  
United Kingdom

## 3. 2016/17 External auditor certificate

We certify/~~do not certify~~\* that we have completed our review of the annual return, and discharged our responsibilities under the Local Audit and Accountability Act 2014, for the year ended 31 March 2017.

\*We do not certify completion because:

External auditor signature



External auditor name

BDO LLP Southampton  
United Kingdom

Date

8/9/17

Note: The NAO issued guidance applicable to external auditors' work on 2016/17 accounts in Auditor Guidance Note AGN/02. The AGN is available from the NAO website ([www.nao.org.uk](http://www.nao.org.uk))

# Section 2 – Accounting statements 2016/17 for

Enter name of smaller authority here:

COLNE TOWN COUNCIL

**RESTATED**

	Year ending		Notes and guidance
	31 March 2016 £	31 March 2017 £	
1. Balances brought forward	131728	198219	Total balances and reserves at the beginning of the year as recorded in the financial records. Value must agree to Box 7 of previous year.
2. (+) Precept or Rates and Levies	153478	325373	Total amount of precept (or for IDBs, rates and levies) received or receivable in the year. Exclude any grants received.
3. (+) Total other receipts	28191	29185	Total income or receipts as recorded in the cashbook less the precept or rates/levies received (line 2). Include any grants received.
4. (-) Staff costs	29431	65305	Total expenditure or payments made to and on behalf of all employees. Include salaries and wages, PAYE and NI (employees and employers), pension contributions and employment expenses.
5. (-) Loan interest/capital repayments	0	0	Total expenditure or payments of capital and interest made during the year on the smaller authority's borrowings (if any).
6. (-) All other payments	85746	241524	Total expenditure or payments as recorded in the cashbook less staff costs (line 4) and loan interest/capital repayments (line 5).
7. (=) Balances carried forward	198219	245948	Total balances and reserves at the end of the year. Must equal (1+2+3) – (4+5+6)
8. Total value of cash and short term investments	193380	257409	The sum of all current and deposit bank accounts, cash holdings and short term investments held as at 31 March – <b>To agree with bank reconciliation.</b>
9. Total fixed assets plus long term investments and assets	892	73862	This cell shows the value of all the property the authority owns. It is made up of its fixed assets and long-term investments.
10. Total borrowings	0	0	The outstanding capital balance as at 31 March of all loans from third parties (including PWLB).
11. (For Local Councils Only) Disclosure note re Trust funds (including charitable)	Yes	No	The Council acts as sole trustee for and is responsible for managing Trust funds or assets. N.B. The figures in the accounting statements above do not include any Trust transactions.

I certify that for the year ended 31 March 2017 the accounting statements in this annual return present fairly the financial position of this smaller authority and its income and expenditure, or properly present receipts and payments, as the case may be.

Signed by Responsible Financial Officer:

C Hill

Date

19 04 2017

I confirm that these accounting statements were approved by this smaller authority on:

19 04 2017

and recorded as minute reference:

ITEM 9

Signed by Chair at meeting where approval is given:

D J [Signature]