



ISSUES ARISING REPORT FOR
Cornelly Community Council
Audit for the year ended 31 March 2016

Introduction

The following matters have been raised to draw items to the attention of Cornelly Community Council. These matters came to the attention of BDO LLP during the audit of the annual return for the year ended 31 March 2016.

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;

- Engagement letter with internal auditor requires further detail
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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.

Engagement letter with internal auditor requires further detail

What is the issue?

The council have provided a copy of an engagement letter with the internal auditor. The engagement letter did not fully detail all the information that should be included.

The engagement letter should agree the expectations of the two parties and should include the following:

- roles and responsibilities
- audit planning, scope and timing
- reporting requirements
- assurance around independence and competence
- access to information, members and officers
- remuneration

Why has this issue been raised?

In the absence of such a letter or similar document, the council cannot be certain that the internal auditor will fully meet their expectations and comply with the requirements of the Accounts and Audit Regulations. The engagement letter confirms expectations of the internal auditor and the council.

What do we recommend you do?

The council must ensure that an engagement letter or similar document is agreed prior to the commencement of the appointment for the coming year. The letter or document should as a minimum set of the scope of the assignment to ensure all parties concur.

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

Governance and Accountability in Local Councils in Wales - A Practitioners' Guide, OVV/SLCC

No other matters came to our attention.

For and on behalf of
BDO LLP

Date: 05 September 2016
