

**Issues Arising Report
for Luton & South Bedfordshire Joint
Committee
Audit for the year ended
31 March 2010**



Introduction

The following matters have been raised to draw items to the attention of Luton & South Bedfordshire Joint Committee. These matters came to the attention of BDO LLP during the audit of the annual return for the year ended 31 March 2010.

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;

- Accounting Statements not approved by 30 June 2010
- Minuting Approval of the Annual Return
- Review of effectiveness of internal audit

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.

Accounting Statements not approved by 30 June 2010

What is the issue?

The body failed to approve Section 1 of the Annual Return ("accounting statements") by the statutory deadline of the 30 June 2010.

A meeting was held within 20 working days after the statutory deadline to consider the approval of the accounting statements and the accounting statements were approved at that meeting.

Why has this issue been raised

This is a breach of regulation 10, paragraph 4a of the Accounts and Audit (Amendment) (England) Regulations 2006 which states that the accounting statements shall be approved "as soon as reasonably practicable and in any event before 30 June immediately following the end of a year."

What do we recommend you do?

The body must ensure in future years that the accounting statements are approved, and signed as approved, by the 30 June immediately following the end of the year.

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)
Local Council Briefing, Spring 2010 - BDO LLP

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)
Local Council Briefing winter 2010 - BDO LLP
BDO Extranet - www.bdo.co.uk/BDOSH/councils

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.

Minuting Approval of the Annual Return

What is the issue?

The minutes supplied did not specifically minute the body's approval of Section 1 - Accounting statement, Section 2 - Annual Governance Statement and the yes/no answers to Section 2.

Why has this issue been raised

Failure to minute the approval of the Accounting statement and the Annual Governance Statement has exposed the body to undue risk of non adoption of the Annual Return.

What do we recommend you do?

The body must ensure in future years that the minutes clearly state their acceptance of Section 1 - Accounting statement and Section 2 - Annual Governance Statement and the minutes record their specific answers to Section 2.

It is essential that minutes clearly record the decisions of the body 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 7
Governance and Accountability in Local Councils in England and Wales - A Practitioners Guide

No other matters came to our attention.

For and on behalf of
BDO LLP

Date: 23 September 2010