

Section 3 – External auditor certificate and report 2015/16 Certificate

We 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 2016 in respect of:

Enter name of
smaller authority here:

PETERLEE TOWN Council

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 2016; 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.

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 matters have come to our attention giving cause for concern that relevant legislation 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**

External auditor signature

BDO LLP

External auditor name

**BDO LLP Southampton
United Kingdom**

Date

14/9/16

Note: The NAO issued guidance applicable to external auditors' work on 2015/16 accounts in Auditor Guidance Note AGN/02. The AGN is available from the NAO website (www.nao.org.uk)

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

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

BDO

Introduction

The following matters have been raised to draw items to the attention of Peterlee 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
 - Internal auditor recommendations
 - Minor issues
-

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

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 smaller authority has included some of the staff costs in box 6, other payments. Therefore, other payments are overstated and salary costs are understated.

The smaller authority have included other costs within staff costs in box 4. Therefore, other payments are understated and salary costs are overstated.

Why has this issue been raised?

This is to draw these minor errors to the attention of the smaller authority.

What do we recommend you do?

The smaller authority should ensure in future years that the above minor errors or omissions are not included in the Accounting Statements.

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.

Internal auditor recommendations

What is the issue?

The internal auditor has made a few recommendations in respect to the corporate plan of the Council and also regarding earmarked reserves.

Why has this issue been raised?

The council is exposed to the risks associated with these weaknesses.

What do we recommend you do?

The council, have discussed the internal auditor's report, but they must implement the recommendations made by the internal auditor to improve the systems of the council as soon as possible.

If the council addresses all the issues raised by the internal auditor the council should improve internal controls which will help to prevent and detect error and fraud and assist the council to operate in an effective and efficient manner.

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: 14 September 2016
