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Fax: 023 8088 1701
www.bdo.co.uk

Arcadia House
Maritime Walk
Ocean Village
Southampton
SO14 3TL

Mrs S J Eden
Prudhoe Town Council
The Spetchells Centre
58 Front Street
PRUDHOE
Northumberland
NE42 5AA

24 March 2017

Our ref: MBT/EP/2017/A3/PRUD01

Contact: Louise Caplen
Direct Dial: 023 8088 1911
E-mail: councilaudits@bdo.co.uk

**TO CONTACT OUR SOUTHAMPTON OFFICE
DIRECTLY DIAL 023 8088 1737**

Dear Mrs Eden

Notice of the annual review of accounts for the year ending 31 March 2017

Please find enclosed details of the annual review for Prudhoe Town Council for the year ending 31 March 2017. Guidance on completion is contained within the annual return. If you need further guidance or are unsure about any of the terms being used, local councils and other small bodies may wish to refer to "Governance and Accountability in Local Councils - A Practitioners' Guide (England) March 2016" which is jointly published by NALC and SLCC and available on each website, or contact directly the local representatives of these bodies.

Step 1: Notify the auditor of any changes to the contacts

The first step is to ensure the correct person receives this pack. If you are no longer the Clerk/RFO/Chairman ("main contact") and you are unable to pass this pack to the new main contact, please complete the change of address form (see Appendix 2) and return the entire pack to us immediately. A prepaid envelope is enclosed for you to use.

In all other instances, please check the details on the form. Amend any details that are incorrect, complete missing information, i.e. telephone numbers, email addresses, website etc. and enter the contact details of the current chairperson. Please return this form to us in the prepaid envelope along with the completed annual return. Also please indicate on this form your preferred method of communication.

Step 2: Completion of the annual return

The enclosed annual return should be completed fully and accurately. Please use the checklist (see Appendix 4) to ensure you enclose everything required.

Changes to the annual return

Section 1, the annual governance statement has been changed and the box for the chairman and clerk to date their signature has been removed as there is no requirement for them. In Section 2, the accounting statements, the box for the chairman to date their signature has also been removed. However the box for the responsible financial officer (RFO) remains, as the RFO must certify the accounting statements which must take place before approval by the smaller authority.

Within the annual return we have provided you with a supplementary sheet to insert the date you have chosen to commence the period for the exercise of public rights to enable you to comply with the Accounts and Audit Regulations 2015.

The Responsible Financial Officer must also publish, including on the smaller authority's website, the following:

- A copy of the Accounting Statements accompanied by a declaration signed by the RFO stating that the Accounting Statements is unaudited and subject to change;
- A copy of the Annual Governance statement; and
- A statement detailing the exercise of public rights.

The period of inspection you selected has been used in the proforma notice (see Appendix 5). If you were not able to select a period of inspection, we have inserted a suggested date range for you based on the date you approved the Accounting Statements last year. These dates are detailed on the enclosed notice (see Appendix 5) which you may use. We have included a summary of electors' rights (see Appendix 6) for you to display with the notice so the public are aware of their rights. We have also set out these dates in the form of a timetable to assist you in preparing to complete and submit the annual return by the submission date (see Appendix 3).

In summary:

The exercise of public rights commences on **03 July 2017** for a period of 30 working days to include the first 10 working days of July and will end on **11 August 2017**.

It is your responsibility to ensure the exercise of electors' rights is carried out in accordance with the Accounts and Audit Regulations 2015. The dates suggested may be suitable, however if they are not the dates must be changed to ensure compliance. The sheet within the annual return has reminders to assist you in complying with the regulations.

Step 5: Submission Date

The submission date that has been selected is the **17 July 2017** and you should return the annual return and supporting documentation to us by this date. If you are unable to submit the annual return and supporting documentation by **17 July 2017** contact us within 7 days of this date to notify us and to request another more convenient date. Another date will be set at no extra charge. Submission can take place once the annual return is fully completed and the supporting information has been prepared. Please do not wait until the inspection period has ended, take a copy of the Annual Return and information you are intending to send and keep the copies for electors to inspect.

If you did not select a submission date, we have allocated one to you. The date selected takes into consideration the period of inspection for the exercise of public rights, if selected and/or the date you submitted the annual return and supporting information last year.

If Prudhoe Town Council does not submit the annual return by the submission date and in any event by 1 September 2017, they are at risk of receiving a Public Interest Report (PIR) as there may be insufficient time to complete the review by the 30 September 2017. A Public Interest Report is issued by the external auditor under Schedule 7 of the Local Audit and Accountability Act 2014 and reports any matters which should be given formal consideration by the smaller authority or brought to the attention of the public.

We have been supplied with a pdf copy of the annual return which we can send to you by email, if requested or you can download it from our extranet.

BDO LLP complaints procedure

If at any time Prudhoe Town Council is dissatisfied with the service it is receiving, you may take up the matter with Paul Bricknell, Director of BDO LLP. If you prefer an alternative route, please contact Malcolm Thixton, Partner of BDO LLP.

BDO LLP undertake to look into any complaint carefully and promptly and to do all we can to explain the position to you. If you feel that you received a less than satisfactory service, we will undertake to do everything reasonable to address your concerns. If you are still not satisfied you may, of course, refer the matter to the Public Sector Audit Appointments Limited or the Institute of Chartered Accountants in England and Wales.

If you decide to make a complaint to Public Sector Audit Appointments Limited (PSAA), this should be referred to PSAA Limited, 3rd Floor, Local Government House, Smith Square, London, SW1P 3HZ, 020 7072 7445, generalenquiries@psaa.co.uk, by letter, phone, email, or online. Further information can be found on their website <http://www.psaa.co.uk/about-us/contact-us/complaints/>

Conflicts of interest

BDO LLP has been appointed by PSAA as the external auditors to Prudhoe Town Council. We are not aware of any potential conflicts of interest which would undermine our ability to provide this service to your smaller authority. However, it is essential that if you are aware of any potential conflicts of interest, that you inform us of this as soon as any issues arise.

Prepaid envelope

A prepaid envelope is enclosed for your use. BDO LLP cannot accept responsibility for the loss of the envelope by the Post Office and if you wish to send the completed annual return and supporting documentation to us by registered post then please do so.

If you do not use the prepaid envelope, please ensure the correct postage is used. If insufficient postage is used this can delay delivery of the item by at least a week and we suspect may be the cause of missing items. When sending A4 letters, a standard 1st Class stamp is no longer enough postage. The Post Office defines A4 letters as large letters and therefore a Large 1st Class stamp is required as a minimum.

We look forward to receiving the completed annual return and supporting documentation before the 17 July 2017. If you have any questions please do not hesitate to contact Louise Caplen.

Yours sincerely,



Mrs Emma Prince
Senior Manager
For and on behalf of BDO LLP

APPENDIX 1

Prudhoe Town Council

Please answer the following questions as this will enable us to establish if we need you to provide any other information for the annual review.

If you answer Yes to any of the questions 1 to 9, the Appendix will be returned detailing the other information we require you to submit with your annual return and supporting information.

- 1) Did the smaller authority use the Power of Wellbeing in 2016/17? Yes / N/a
- 2) Did the smaller authority use the Power of Competency in 2016/17? Yes / N/a
- 3) Did the smaller authority pay a gratuity 2016/17? Yes / N/a
- 4) Did the smaller authority take out a new PWLB or other loan in 2016/17? Yes / N/a
- 5) Did the smaller authority receive a large grant, over £200k and which was also 25% or more than its income in 2016/17? Yes / N/a
- 6) Did the smaller authority sell any land or buildings in 2016/17? Yes / N/a
- 7) Did the smaller authority purchase any land or buildings in 2016/17? Yes / N/a
- 8) Did the smaller authority receive or spend a s106 receipt in 2016/17? Yes / N/a
- 9) Did the smaller authority undertake a capital build project over £100k 2016/17? Yes / N/a
- 10) Other than the precept, please provide details of any other sources of income, if over £100k.

Please return either by;

Fax to: 023 8088 1701

Email to: councilaudits@bdo.co.uk

Post to: Louise Caplen
BDO LLP
Arcadia House
Maritime Walk
Ocean Village
SOUTHAMPTON
SO14 3TL

Thank you for your time and assistance.

APPENDIX 2

Change of Clerk/RFO/Chairman details

Please return this form to us immediately if there is a change of Clerk / RFO or Chair. If any of the contact details are incorrect or incomplete for Prudhoe Town Council, amend and return with the completed annual return and supporting information.

Please note that as from _____ the position of clerk / RFO will be carried out by:

Please circle preferred method of communication

Letter / Phone / Fax / Email

Title	Mrs	_____
Initials	S J	_____
Surname	Eden	_____
Position	Clerk	_____
Address	The Spetchells Centre	_____
	58 Front Street	_____

Town/City	PRUDHOE	_____
County	Northumberland	_____
Postcode	NE42 5AA	_____
Home Tel No.		_____
Work Tel No.	01661 835487	_____
Fax no.		_____
Mobile		_____
Email	#mailto:prudhoetc@hotmail.com#	
Website		

FOR BDO USE ONLY:

FILE UPDATED

RMS UPATED

(PLEASE TICK)

Please note that as from _____ the position of chair will be carried out by:

Title	Cllr	_____
Initials	J	_____
Surname	McGee	_____
Position	Town Mayor	_____
Address	The Spetchells Centre	_____
	58 Front Street	_____

Town/City	PRUDHOE	_____
County	Northumberland	_____
Postcode	NE42 5AA	_____
Home Tel No.		_____
Work Tel No.	01661 835487	_____
Fax no.		_____
Mobile		_____
Email	#mailto:prudhoetc@hotmail.com#	

FOR BDO USE ONLY:

FILE UPDATED

RMS UPATED (IF APPLICABLE)

(PLEASE TICK)

APPENDIX 3

Timetable

Annual review for the year ended 31 March 2017

Prudhoe Town Council

Activity	Date Arranged
Internal audit	
Date of meeting to approve Section 1	
Date of meeting to approve Section 2 (Note: This can be the same meeting as the above but Section 1 must be approved before Section 2)	
Date the notice, approved section 1 and approved section 2 published	
Exercise of public rights commences the next working day after the above items are published	
Exercise of public rights ends on (Note this period is for 30 working days and excludes bank holidays and weekends)	
Send annual return	
Annual return and supporting info to be at BDO LLP by the submission date of	17 July 2017

Other key dates

Approval of accounts to take place after the approval of Section 1 the Annual Governance Statement and as soon as practically possible or in any event no later than (as specified by the Accounts and Audit Regulations)	2 July 2017
Publication of annual return as soon as possible after completion of annual review or in any event no later than (as specified by the Accounts and Audit Regulations)	30 September 2017

APPENDIX 5

Prudhoe Town Council PERIOD FOR THE EXERCISE OF PUBLIC RIGHTS ACCOUNTS FOR THE YEAR ENDED 31 March 2017

Local Audit And Accountability Act 2014
Accounts and Audit Regulations 2015 (SI 2015/234)

Prudhoe Town Council's annual return needs to be reviewed by an external auditor appointed by Public Sector Audit Appointments Limited. Any person interested has the right to inspect the accounting records for the financial year to which the audit relates and all books, deeds, contracts, bills, vouchers and receipts and other documents relating to those records or documents.

These documents for Prudhoe Town Council are to be made available on reasonable notice by application between the hours of _____ and _____ on working days (excluding public holidays).

Commencing on 03 July 2017
And
Ending on 11 August 2017

If you wish to view them then please contact the named smaller authority representative:

Name _____
Position in Smaller Authority _____
Address _____

Phone number _____

Local electors and their representatives have rights to question the auditor about the accounts and object to the accounts or any item in them. Written notice of an objection must first be given to the auditor and a copy sent to the smaller authority. The auditor can be contacted at the address below for this purpose during the inspection period which commences on **03 July 2017** and ends on **11 August 2017**.

The smaller authority's annual return is subject to review by the appointed auditor under the provisions of the Local Audit and Accountability Act 2014, the Accounts and Audit Regulations 2015 and the NAO's Code of Audit Practice.

The appointed auditor of Prudhoe Town Council is:

BDO LLP, Arcadia House, Maritime Walk, Ocean Village, Southampton, SO14 3TL
Telephone: 023 8088 1941

APPENDIX 6

Councils' Accounts: A Summary of Electors' Rights

The basic position

By law any person interested has the right to inspect a smaller authority's accounts. If you are entitled and registered to vote in local council elections then you (or your representative) also have the right to ask the appointed auditor questions about the smaller authority's accounts or object to an item of account contained within them.

The right to inspect the accounts

When your smaller authority has finalised its accounts for the previous financial year it must make them available for inspection. Smaller authorities must tell the public including advertising this on their website that the accounts and related documents are available to inspect. You then have 30 working days to look through the accounting statements in the annual return and any supporting documents. The 30 day period must include a common period of inspection, the first 10 working days of July during which all smaller authorities accounts are available to inspect. This will be 3-14 July 2017 for 2016/17 accounts. By arrangement you will be able to inspect and make copies of the accounts and the relevant documents. You may have to pay a copying charge.

The right to ask the auditor questions about the accounts

You can only ask the appointed auditor questions about the accounts. The auditor does not have to answer questions about the smaller authority's policies, finances, procedures or anything else not related to the accounts. Your question must be about the accounts for the financial year just ended. The auditor does not have to say whether they think something the smaller authority has done, or an item in its accounts, is lawful or reasonable. You can only ask the auditor questions during the period for the exercise of public rights.

The right to object to the accounts

If you think that the smaller authority has spent money that they shouldn't have, or that someone has caused a loss to the smaller authority deliberately or by behaving irresponsibly, you can object to an item of account by sending a formal 'notice of objection' to the auditor, to the address below. The notice must be in writing. In it you must tell the auditor why you are objecting and what you want the auditor to do about it. The auditor must reach a decision on your objection. If you are not happy with that decision, you can appeal to the courts.

You may also object if you think that there is something in the accounts that the auditor should discuss with the smaller authority or tell the public about in a 'public interest report'. **You must give your reasons in writing** to the auditor at the address below and send a copy to the smaller authority no later than the end of the period for the exercise of public rights. The auditor must then decide whether to take any action. The auditor does not have to, but usually will, give reasons for their decision and you cannot appeal to the courts.

You may not use this 'right to object' to make a personal complaint or claim against your smaller authority. You should take these complaints to your local Citizens' Advice Bureau, local Law Centre or a solicitor.

What else you can do

Instead of objecting, you can give the auditor information that is relevant to their responsibilities. For example, you can simply tell the auditor if you think that something is wrong with the accounts or about waste and inefficiency in the way the smaller authority runs its services. You do not have to follow any set time limits or procedures. The auditor does not have to give you a detailed report of their investigation, but they will usually tell you the outcome.

A final word

Smaller authorities, and so local taxpayers, must meet the costs of dealing with questions and objections. In deciding whether to take your objection forward further, one of a series of factors the auditor must take into account is the costs that will be involved. They will only continue with the objection if it is in the public interest to do so. If you appeal to the courts, against an auditor's decision, you will have to pay for the action yourself.

For more detailed guidance on electors' rights and the special powers of auditors, copies of the publication *Local Authority Accounts - a guide to your rights* are available from the National Audit Office's website.

If you wish to contact your smaller authority's appointed external auditor please write to: BDO LLP, Arcadia House, Maritime Walk, Ocean Village, Southampton, Hampshire SO14 3TL.

Intermediate review questionnaire for the year ended 31 March 2017

The intermediate review is undertaken to obtain evidence, where additional risk is identified relating to those, with higher levels of activity or expenditure or those selected as part of a 5% sample of basic reviews.

Prudhoe Town Council have received the intermediate review questionnaire because Prudhoe Town Council's income or expenditure was greater than £200,000 last year.

If Prudhoe Town Council's income or expenditure for the year ended 31 March 2017 is greater than £200,000 this form must be completed as it forms part of the review. Please complete the form, provide the evidence requested and return it with your annual return and supporting information by the submission date.

If Prudhoe Town Council's income or expenditure is no longer greater than £200,000 you are not required to complete this form but you must inform us so that we can update our records.

IMPORTANT

The intermediate review questionnaire ("IRO") is a standard document that forms part of the review. The annual review letter clearly states that completion of this form is required. If you do not complete and return the "IRO" with the annual return we will not be able to complete the review. The auditor will request completion of the "IRO" and a charge will be added to the standard fee on completion of the review.

If the form is completed incorrectly and/or any supporting documentation is not included without stating a reason, the auditor will request this information again and a charge will be added to the standard fee on completion of the review.

All information supplied must relate to the year ended 31 March 2017 unless stated otherwise.

Where copies of minutes are requested please supply us with copies of the signed legal minutes as maintained in accordance with the Local Government Act 1972.

b) a copy of the signed legal minute where the asset register was last reviewed by the smaller authority.

If No, please state why a copy of the asset register is not enclosed.

I confirm that I have completed this form to the best of my knowledge and belief, with respect to the accounts for the year ended 31 March 2017.

Signed Date

Name of Smaller Authority