

AUDIT AND GOVERNANCE COMMITTEE

27 June 2014

**JOINT COMMITTEE FOR THE NORTH OF ENGLAND OPEN AIR MUSEUM
AUDITED ANNUAL RETURN AND ACCOUNTS 2013/2014**

REPORT OF THE HEAD OF FINANCIAL RESOURCES

1 BACKGROUND

- 1.1 At a meeting held on 5th July 2013, Members approved a draft agreement to disband the Joint Committee and hand over responsibility for management of the Museum to Beamish Museum. Members also approved the decision to surrender the existing lease with Sunderland City Council dated 25th May 2001 in consideration of Durham County Council granting a new 50 year lease to Beamish Museum. The decision was ratified and approved at its final meeting held on 28th March 2014.
- 1.2 At this meeting it was further agreed that the Lead Authority (Sunderland City Council) would ensure that the Statement of Accounts and Annual Return for 2013/2014 would be scrutinised and approved in accordance with the applicable statutory requirements. Appendix 1 shows the detailed report for information.

2 PURPOSE OF REPORT

- 2.1 To provide the Statement of Accounts and Annual Return (Subject to Audit) for 2013/2014 for approval by Members.

3 DESCRIPTION OF THE DECISION

- 3.1 Members are recommended to:
- Approve, as Lead Authority, the Statement of Accounts and Annual Return for the financial year ended 31st March 2014 (Appendix 2).

4 INTRODUCTION

- 4.1 Smaller relevant bodies in England must complete an annual return summarising their annual activities at the completion of each financial year in accordance with the Accounts and Audit Regulations 2011. Members are responsible for ensuring that financial management is adequate and effective and that the body has a sound system of internal control.
- 4.2 A smaller relevant body includes Joint Committees which have gross income or gross expenditure levels below £6.5 million for the financial year in question (i.e. 2013/2014) as well as either of the two immediately preceding

years (i.e. 2011/2012 and 2012/2013). This regime applies to the Joint Committee.

- 4.3 The Audit Commission was replaced by BDO LLP (Chartered Accountants) from 1st April 2010, as the Joint Committee's external auditors, and they are required to report on the final accounts by 30th September of each year.

5. KEY MESSAGES

- 5.1 The Annual Return, shown at Appendix 2 reflects the Accounts as presented to the Committee and is divided into several sections. These include:

- Section 1 requires sign off by the Chairman to confirm the accounts have been approved, subject to audit by the Committee
- Section 2 requires sign off by both the Chairman and Clerk to the Committee to acknowledge that the governance requirements have been properly followed and reported
- Section 3 is the external auditor's certificate and opinion, and
- Section 4 relates to work completed by the internal audit service, which has already been carried out and has found no issues with the financial statements as presented

- 5.2 The Auditors can only commence the audit once the Committee has formally approved the Annual Return (Subject to Audit) and the appropriate statutory notice of inspection of the Annual Return (accounts) has been given to the residents of Tyne and Wear.

- 5.3 The Statutory Notice of the audit of the accounts consists of two requirements: the first requirement is that a Notice must be advertised in an appropriate form 14 days before the period of inspection is to commence; the second requirement is that the period of inspection must span 20 working days as set out in the published Notice. During the inspection period the residents of Tyne and Wear have the right to inspect the accounts and financial records of the Committee and can raise issues with the auditor if they so wish. The audit date determined by the auditor follows the end of the period of inspection and it is on this date that the residents of Tyne and Wear can raise any objections to the accounts.

- 5.4 The audit date has been set by the Auditors as 14th July 2014 and Appendix 3 shows the key dates for information.