

The following issues have been raised to assist the Council. The Council is recommended to take action on the following issues to ensure that the Council acts within its statutory and regulatory framework,

Fidelity Guarantee

Weakness Identified.•

The council have reviewed the level of fidelity guarantee cover, however this still appears to be insufficient in light of the bank balances held at 31 March 2007 and the amount of precept then subsequently received in April 2007.

Impact on the Council:

- A local council, under S 114 of the Local Government Act 1972, must take security as it considers sufficient in the case of any of its officers likely to handle its money. The council may decide that insurance is not 'sufficient' for them, but in order to come to this opinion they must have reviewed the requirement annually and they must have objective grounds for such a conclusion.

Recommendation:

The council should consider the level of insurance cover and set it to a level that will protect the council against potential loss. The council should review the level of cover at least annually as circumstances may change throughout the year.

It is recommended that the amount is sufficient to cover the maximum amount of money the council holds at any one time during the year. A council does not have to have Fidelity Guarantee Insurance if it considers that no security insufficient' but there must be objective grounds for such a conclusion. Smaller councils may decide therefore that the cost of this insurance is disproportionate to the risk involved. If this is so the council should minute this decision annually.

Further guidance on this matter can be obtained from the following source(s):
Local Council Administration, 7th Edition, Charles Arnold-Baker, Chapter 9.8 Governance and Accountability in Local Councils in England and Wales - A Practitioners Guide, NALC/OVW/SLCC

Trustee information not disclosed to Charity Commission

Weakness Identified.•

The Council have not disclosed to the Charity Commission that they are the sole trustee of the Charity.

Impact on the Council:

Statutory information has not been adequately disclosed to the Charity Commission . The Council's responsibility for the charity has not been publicly disclosed.

Recommendation:

The Council update their trustee information with the Charity Commission to note the Council as sole trustee.

Further guidance on this matter can be obtained from the following source(s): Charity Commission website - <http://www.charity-commission.gov.uk> No other matters came to our attention.

For and on behalf of BDO
Stoy Hayward LLP

Date: 12 July 2007