



**ISSUES ARISING REPORT FOR
Saxtead Parish Council
Audit for the year ended 31 March 2017**

Introduction

The following matters have been raised to draw items to the attention of Saxtead Parish Council. These matters came to the attention of BDO LLP during the review of the annual return for the year ended 31 March 2017. This report must be presented to a full meeting of the smaller authority for review.

The review 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;

- Risk Assessment - not minuted
 - Fixed assets
 - Standard information
-

The following issues have resulted in the annual return being qualified. They indicate either a breach of proper practices or legislation and they require the smaller authority to take immediate action to rectify these issues.

Risk Assessment - not minuted

What is the issue?

The smaller authority has not minuted its review of effectiveness of internal control including its risk assessment during the year.

Why has this issue been raised?

This is a breach of regulation 4 of the Accounts and Audit Regulations 2015 which requires smaller authorities to review the effectiveness of internal control which includes arrangements for the management of risk.

What do we recommend you do?

The smaller authority must ensure that the risk assessment is reviewed and this review is minuted at least once a year before the end of the financial year. This review is for the smaller authority to evidence as a whole that they are satisfied that all the risks facing the smaller authority have been identified and safeguards have been put in place to protect against those risks.

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 Audit Briefing, Winter 2012 - BDO LLP

Fixed assets

What is the issue?

It has come to our attention that fixed assets have been included in box 9 at a valuation amount and the figure in the accounting statements does not agree to the asset register.

A smaller authority should not adjust assets disclosed on the annual return for revaluations, depreciation or impairment. The only movements on assets should be the cost of additions or the cost value of any disposals.

Why has this issue been raised?

The accounting treatment is not in compliance with proper practices.

What do we recommend you do?

The Practitioners Guide states that all assets should be held at cost as reflected in the asset register. In future the smaller authority should review the current Practitioners Guide to ensure that they are accounting for assets correctly.

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 issues have been raised as we have detected issues with the governance arrangements of the smaller authority. It is recommended that the smaller authority consider these matters and decide what action to take to improve the governance arrangements as soon as possible.

Standard information

What is the issue?

We had to contact the clerk as standard information, including bank reconciliation, date of electors rights or explanation of variances was not supplied with the initial submission.

Why has this issue been raised?

Proper Practices and the annual return itself state that the above standard information should be submitted for all smaller authorities.

What do we recommend you do?

In future the smaller authority should ensure all standard information is submitted for audit.

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: 27 August 2017
