

ISSUES

The following matters have been raised to draw them to the attention of Shottisham Parish Council. These matters came to the attention of BDO LLP during the audit of the annual accounts for the year ended 31 March 2016. This report must be presented to a full meeting of the Council as a matter of authority for the Council.

The audit of the annual return may not disclose all shortcomings of the system. Some matters may not have come to the attention of the auditor. For this reason, the matters raised may not be the complete picture that exist.

The matters listed below are explained in further detail on the pages that follow.

- Internal Auditor's recommendations
- Risk Assessment
- Failure to hold an Annual Parish Meeting

ISSUES ARISING REPORT FOR Shottisham Parish Council Audit for the year ended 31 March 2016

Introduction

The following matters have been raised to draw items to the attention of Shottisham Parish 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;

- Internal Auditor's recommendations
 - Risk Assessment
 - Failure to hold an Annual Parish Meeting
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The following issue(s) have resulted in the annual return being qualified. They indicate a weakness in the council's procedures and require the council to take immediate action.

Risk Assessment

What is the issue?

The internal auditor has noted that the smaller authority has not minuted its review of the effectiveness of internal control including arrangements for the management of risks during the year ended 31 March 2016.

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 March 2016- A Practitioners Guide,
NALC/SLCC/ADA
Audit Briefing, Winter 2012 - BDO LLP
Accounts and Audit Regulations 2015

Failure to hold an Annual Parish Meeting

What is the issue?

It has come to our attention that the smaller authority failed to convene an Annual Parish Meeting between 1 March and 1 June.

Why has this issue been raised?

The smaller authority are in breach of Schedule 12 para. 14(1) of the Local Government Act 1972

What do we recommend you do?

The smaller authority must ensure that an Annual Parish Meeting is held annually in accordance with the statutory requirements.

Further guidance on this matter can be obtained from the following source(s):

Local Government Act 1972

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's recommendations

What is the issue?

The internal auditor has made a few recommendations in respect to the financial systems of the smaller authority.

Why has this issue been raised?

The smaller authority is exposed to the risks associated with these weaknesses.

What do we recommend you do?

The smaller authority must implement the recommendations made by the internal auditor to improve the financial systems of the smaller authority as soon as possible or in any event before the end of the current financial year.

If the smaller authority addresses all the issues raised by the internal auditor the smaller authority should improve internal controls which will help to prevent and detect error and fraud and assist the smaller authority 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: 25 July 2016
