



**ISSUES ARISING REPORT FOR
Beckley and Stowood Parish Council
Audit for the year ended 31 March 2017**

Introduction

The following matters have been raised to draw items to the attention of Beckley and Stowood 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
 - Internal auditor's report
 - Additional 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

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 2017.

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/ADA
Audit Briefing, Winter 2012 - BDO LLP
Accounts and Audit Regulations 2015

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.

Internal auditor's report

What is the issue?

The internal auditor's findings were not reported to the smaller authority.

Why has this issue been raised?

Any potential weaknesses identified by the internal auditor is not being acted upon by the smaller authority during the current financial year.

What do we recommend you do?

The smaller authority must ensure in future years that the findings of the internal auditor are reported to the smaller authority. The smaller authority must devise an action plan, if there are any issues to report, which ensures the issues are dealt with appropriately. The smaller authority's approval of the audit report and if required details of the action plan should to be recorded in the minutes.

It is essential that minutes clearly record the decisions of the smaller authority as they are the lawful record of the events of the meetings.

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

Local Council Administration, 7th Edition, Charles Arnold Baker, Chapter 18.15 to 18.18.

Additional information

What is the issue?

As part of our audit the smaller authority was subject to an intermediate review which requested additional information to be submitted with the annual return. The smaller authority did not submit all of this information with the initial submission.

Why has this issue been raised?

We had to request further information from the smaller authority in order to form our opinion.

What do we recommend you do?

In future the smaller authority should submit all of the requested information with the initial submission.

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: 18 September 2017
