

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


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## Introduction

The following matters have been raised to draw items to the attention of Great Blakenham 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;

- Minor issues
  - Risk Assessment
  - Inspection period for the exercise of Electors' rights
  - Internal Audit Checks
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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 smaller authority have not carried out and minuted a risk assessment as part of its review of the effectiveness of internal control 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 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 a risk assessment is carried out as part of its review of the effectiveness of internal control before the end of the financial year. This review of effectiveness of internal control and risk assessment must be reviewed and minuted as evidence of the review being undertaken annually before the end of the financial year.

The smaller authority should decide which risks it faces and how it is going to reduce the impact of these risks on the smaller authority's ability to provide its services. An example of the risks and how they can be handled is included in "A Practitioner's Guide 2014 version" published by NALC & SLCC.

An example risk table is available on our extranet to assist the smaller authority in assessing and clarifying its risks. If the smaller authority decides to utilise this table then it should be reviewed in detail, modified and adapted to the smaller authority's specific needs. If you do not have access to the internet, contact us and we can supply you with a copy.

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

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The following issue(s) have been raised to assist the council in improving its internal controls or working practices. The council is recommended to consider these but is under no statutory obligation to act upon them.

### Internal Audit Checks

#### *What is the issue?*

The Internal Auditor has entered 'Not Covered' to the following test(s) on Section 4 which we consider relevant to the smaller authority. We have raised these issue(s) as the Internal Auditor has not stated, or noted as required on Section 4 of the Annual Return, when the most recent internal audit work was undertaken and when it is next planned in respect of these test(s), or, if coverage is not required, explained why not.

The smaller authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.

The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.

Periodic and year-end bank account reconciliations were properly carried out.

#### *Why has this issue been raised?*

Failure to undertake these tests result in an incomplete internal audit being undertaken and the smaller authority could be exposed to risks in these areas.

#### *What do we recommend you do?*

The above tests should be carried out in future years by the Internal Auditor. The smaller authority should ensure he/she provides a full report to the smaller authority to ensure all the activities are properly carried out and recorded.

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

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The following issue(s) have been raised as there are minor errors on the annual return which we wish to draw to the attention of the council so they do not occur again in future years.

#### Minor issues

##### *What is the issue?*

The following issues have been raised as minor issues or omissions have been identified in the current year's Annual Return:

The smaller authority has included grant monies received in box 2, rather than box 3, other receipts.

Section 2 of the annual return does not add up by £1.

The smaller authority have incorrectly included administration expenses refunded to the clerk in box 4, staff costs. Therefore, other payments are understated and salary costs are overstated.

The figure included in box 1 of the current year's figures does not agree by £1 to the figure in box 7 on the last years audited annual return.

The Authority has completed the annual return on a receipts and payments basis but has included an accrual for £360 in section 2 of the annual return. As a result box 6 is overstated by £360 and boxes 7 and 8 are understated by the same amount.

##### *Why has this issue been raised?*

This is to draw these minor errors to the attention of the smaller authority.

##### *What do we recommend you do?*

The smaller authority should ensure in future years that the above minor errors or omissions are not included in the Accounting Statements.

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

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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.

#### Inspection period for the exercise of Electors' rights

##### *What is the issue?*

The inspection period for the exercise of electors' rights did not include the first 10 working days of July as specified in the Accounts and Audit Regulations 2015, which this year is from the 1st to the 14th July 2016.

##### *Why has this issue been raised?*

The Accounts and Audit Regulations 2015 para 15(b) state that the inspection period for the exercise of electors rights must include the first 10 working days of July. The smaller authority has not complied with the Accounts and Audit Regulations 2015.

##### *What do we recommend you do?*

The smaller authority must ensure that the inspection period for the exercise of electors' rights includes the first 10 working days of July next year in accordance with the regulations in force.

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

Accounts and Audit Regulations 2015

**No other matters came to our attention.**

For and on behalf of  
BDO LLP

Date: 26 September 2016

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