

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

Introduction

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

- Accounting Statements not approved by 30 June
- Electors' rights period
- Internal Audit Checks

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.

Accounting Statements not approved by 30 June

What is the issue?

The smaller authority failed to approve Section 2 of the Annual Return ("the accounting statements") by the deadline of the 30 June, as specified on the Annual Return and stated in Governance and Accountability for Local Councils - The Practitioners' Guide and implied in the Accounts and Audit Regulations 2015.

Why has this issue been raised?

This is a breach of proper practices as set out in the Practitioners' Guide. By approving the annual return after the 30 June, the smaller authority prevented the RFO from discharging their obligations under the Accounts and Audit Regulations 2015 in respect of commencing the period for the exercise of electors' rights. This period must include the first 10 working days of July, meaning that for the 2016/17 annual return, the last possible date for approval was 30 June.

What do we recommend you do?

The smaller authority must ensure in future years that the accounting statements are signed by the RFO and then reviewed and signed as approved by the smaller authority meeting as a whole, by the latest date in order to comply with the electors rights dates, which must include the first 10 working days of July.

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

Accounts and Audit Regulations 2015 - legislation.gov.uk website
Governance and Accountability for Local Councils - The Practitioners' Guide - NALC/SLCC/ADA

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 Audit Checks

What is the issue?

The Internal Auditor has answered "no" to the following tests on Section 4 in error. The internal auditor meant to answer "not applicable".

Petty cash payments were properly supported by receipts, expenditure was approved and VAT appropriately accounted for.

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.

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.

Electors' rights period

What is the issue?

The Accounting Statements were approved on the same day of the commencement of the inspection period of the exercise of electors' rights.

Why has this issue been raised?

The Accounts and Audit Regulations 2015, reg 15(3) specifies that the Annual Governance statement must be approved. This is followed by the approval of the Accounting Statements. Both statements must be published including on a website with the notice of electors' rights. The electors' rights period should start on the following day. The smaller authority has not complied with the Accounts and Audit Regulations 2015.

What do we recommend you do?

The Smaller Authority must ensure in future years that the electors' rights inspection period commences after the accounting statements are approved and after the required notices have been displayed. The Smaller Authority must also consider how to answer the question concerning the electors' rights period in the Annual Governance statement next year. The period of electors' rights that they must be considering is for the 2016/17 year as that is the period that has occurred during the year.

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: 18 September 2017
