

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

Introduction

The following matters have been raised to draw items to the attention of Craster 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
 - Inspection period for the exercise of Electors' rights
 - Internal auditor's recommendation
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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.

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 3rd to the 14th July 2017.

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. The smaller authority must also consider how they answer the electors rights question in the annual governance statement next year due to this non compliance.

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

Accounts and Audit Regulations 2015

Internal auditor's recommendation

What is the issue?

The internal auditor has made a recommendation regarding the operation of the smaller authority.

Why has this issue been raised?

The smaller authority is exposed to the risks associated with this weakness.

What do we recommend you do?

The smaller authority must implement the recommendation 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 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

Introduction for Part B**Part B**

The following items are being brought to the attention of the clerk of Craster Parish Council. These items came to the attention of BDO LLP during the review of the annual return for the year ended 31 March 2017 but are not required to be reported to the smaller authority. These items are not considered to be either a breach of legislation or proper practices or other matters to report.

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
 - Inspection period for the exercise of Electors' rights
 - Internal auditor's recommendation
-

The following matters are being brought to your attention as we have detected administrative matters aimed at improving the review process in the future or items that have changed that we wish you to just note. These matters are not raised as formal matters and do not require reporting to the council.

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 figures inserted in box 7 and 8 do not agree by £1. The accounts were prepared on a receipts and payments basis and therefore box 7 and 8 should agree.

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

No other matters came to our attention.

For and on behalf of
BDO LLP

Date: 28 September 2017
