

NOTES FOR THE RESPONSIBLE FINANCIAL OFFICER

In accordance with the Accounts and Audit Regulations 2015 -
As soon as possible after conclusion of audit, a smaller relevant authority must publish, which includes on a website, the Notice of Conclusion of Audit advising that the audit has been completed and the following requisite information:

Section 1 to 3 of the Annual Return
Issues arising from the audit (if any)

The documents must be published for at least 14 days and made available for public access for not less than 5 years.

In all cases, ensure that copies of the statement of accounts/annual return are made available for purchase at a reasonable sum.

Introduction

The following matters have been raised to draw items to the attention of Bramford 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 not minuted during year
- Internal Auditor's recommendations
- Preparation of the Accounting statements

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 not minuted during year

What is the issue?

The smaller authority has not carried out a risk assessment as part of its review of the effectiveness of internal control during the year. A risk assessment was undertaken and reported to the smaller authority after the year end.

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 during the year ended 31 March each year.

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 each financial year. This review is for the smaller authority to evidence as a whole that it is 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 recommendations

What is the issue?

The internal auditor has made a few recommendations in respect to the internal controls/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

Preparation of the Accounting statements

What is the issue?

The internal auditor has prepared or assisted in the preparation of the Accounting Statements, Section 2 of the Annual Return.

Why has this issue been raised?

The internal auditor has compromised his/her independence.

What do we recommend you do?

The smaller authority must review its procedures with regards to the preparation of the Accounting Statements and ensure this conflict does not arise in future years. This will safeguard the internal auditor's independence and ensure the smaller authority fulfils its statutory obligations to prepare its accounts.

The smaller authority is entitled to delegate its responsibility for preparing the Accounting Statements to the Responsible Financial Officer, Clerk or other external organisation provided that they are not the internal or external 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

Introduction

The following items are being brought to the attention of the clerk of Bramford 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;

- Minor issues

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:

A small difference, £35, has arisen between the restated box 1 figure for 2016 and the audited reconciled bank figure at 31 March 2015.

It is also noted that there is £50 difference between the precept figure disclosed in box 2 and the amount confirmed to us by Mid Suffolk District Council. The balancing entry appears to have been put against box 6, other payments.

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: 26 September 2017