

Introduction

The following matters have been raised to draw them to the attention of Holbrook Parish Council. These matters concern the attention of BDO LLP during the audit of the annual return for the year ended 31 March 2016. The report must be presented to a full meeting of the council for their consideration.

The staff of the audit firm may not discuss the circumstances of the system in 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 pages that follow:

- The Agreement
- Final Report

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

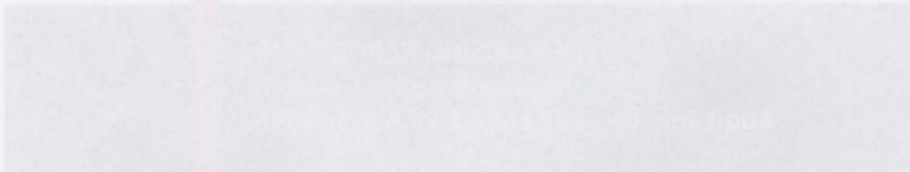
Introduction

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

- Risk Assessment
- Fixed Assets



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 has not carried out a risk assessment as part of its review of the effectiveness of internal control during the year but has stated this in its annual governance statement.

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 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 review should be noted in the minutes and any adoption should be resolved by the smaller authority.

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

Fixed Assets

What is the issue?

The smaller authority has not included all additions or replacements of fixed assets, in the year in box 9 of Section 2 of the Annual Return

Why has this issue been raised?

The value of fixed assets included in the Annual Return appears to be under valued.

What do we recommend you do?

The smaller authority must ensure that the value of its fixed assets is correctly stated in Section 2 of the Annual Return. The value of all fixed assets must be recorded in the fixed assets register. Assets may comprise of land, buildings, plant and equipment, vehicles, notice boards, street furniture etc, property that will be of economic benefit to the meeting over a period substantially longer than one financial year.

The smaller authority must ensure that the register of assets is updated to record all additions and disposals of assets on an annual basis.

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: 12 September 2016

The following issue(s) have resulted in the annual return weakness in the council's procedures and require the council to take immediate action.

Risk Assessment

What is the issue?

The annual return has not been carried out as part of the effectiveness of internal control during the year but has stated this in its annual governance statement.

Why has this issue been raised?

This is a breach of regulation 4 of the Accounts and Audit Regulations 2015 which requires the council to review the effectiveness of internal control which includes arrangements for the management of risk.

What do we recommend you do?

The annual return will ensure that a risk assessment is carried out as part of its review of effectiveness of internal control before the end of the financial year. The review of effectiveness of internal control and the assessment must be reviewed and reported as evidence of the review being undertaken annually before the end of the financial year. The review should be dated in the minutes and any action should be recorded by the council authority.

Further guidance on this matter can be obtained from the following sources:

Government and Accountability in Local Councils in England - A Practitioner's Guide, NALC/ALCC

Fixed Assets

What is the issue?

The annual return has not included all additions or disposals of fixed assets in the year in box 7 of section 1 of the Annual Return.

Why has this issue been raised?

The value of fixed assets included in the Annual Return appears to be lower than stated.

What do we recommend you do?

The annual return will ensure that the value of the fixed assets is correctly stated in section 1 of the Annual Return. The value of all fixed assets will be recorded in the fixed assets register. Assets are recorded in the register, plant and equipment, vehicles, office furniture, travel facilities etc. Property will be included in the register over a period substantially longer than one financial year.

The annual return will ensure that the register of assets is updated to record all additions and disposals of assets on an annual basis.

Further guidance on this matter can be obtained from the following sources:

Government and Accountability in Local Councils in England - A Practitioner's Guide, NALC/ALCC