

**ISSUES ARISING REPORT FOR
Fair Oak And Horton Heath Parish Council
Audit for the year ended 31 March 2017**

BDO

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

Minutes

What is the issue?

The smaller authority produced printed minutes, which were submitted for audit purposes. The pages were not consecutively numbered or initialled by the person signing the minutes.

Why has this issue been raised?

This smaller authority submitted minutes for audit purposes which were not maintained in accordance with schedule 12, paragraph 41(2) of the Local Government Act 1972.

What do we recommend you do?

The smaller authority should ensure with immediate effect that if a loose leaf minute books is maintained the loose leaf pages are consecutively numbered and initialled by the person signing the minutes.

Minutes must be maintained in accordance with the Local Government Act 1972. Loose leaf minute books are lawful but the loose leaf pages must be consecutively numbered and each page must be initialled by the person signing the minutes.

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

Local Council Administration, 7th Edition, Charles Arnold-Baker, Chapter 7

Introduction

The following items are being brought to the attention of the clerk of Fair Oak And Horton Heath 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:

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

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: 14 September 2017
