

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

## Introduction

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

- Minute reference not entered in Section 1 or Section 2
  - Internal Control System not in existence - stated No on S1
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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.

**Minute reference not entered in Section 1 or Section 2**

*What is the issue?*

A minute reference has not been entered in Section 1 or Section 2 , to confirm the approval of the accounting statements by the smaller authority.

The statements were approved and the minute reference should be ES21/17/18(ii) for Section 1 and ES21/17/18 (iii) for Section2.

*Why has this issue been raised?*

The approval of the section has not been fully disclosed in accordance with the requirements.

*What do we recommend you do?*

The smaller authority must ensure that all boxes are completed on the annual return and all approvals are adequately disclosed.

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

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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 Control System not in existence - stated No on S1**

*What is the issue?*

The smaller authority have stated that it has not maintained an adequate system of internal control, because there had not been a full review of internal control possible in 2017/18 due to changes in clerk. Therefore the smaller authority cannot state that proper internal control arrangements were in place throughout the year and reviewed in terms of their effectiveness.

*Why has this issue been raised?*

This is a breach of regulation 4 of the Accounts and Audit Regulations 2015.

*What do we recommend you do?*

The smaller authority must implement necessary measures to prevent and detect fraud immediately as this is a serious failing of 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

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## Introduction

The following items are being brought to the attention of the clerk of Earl Stonham 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
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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 figure included in box 1 of the current year's figures does not agree by £1 to the figure in box 7 on the last years audited annual return.

##### *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

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