



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

Introduction

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

- Section 1 and Section 2 - Trust Funds Disclosure Note
 - Minor issues
 - Expenditure powers - S137 power incorrectly used
 - Fixed Assets
-

The following issue(s) have been raised as there are minor errors on the annual return which we wish to draw to the attention of the council so they do not occur again in future years.

Section 1 and Section 2 - Trust Funds Disclosure Note

What is the issue?

The council has not answered box 11 in error in Section 2 of the annual return. The council have also not answered box 9 in section 1 of the annual return.

Why has this issue been raised?

The disclosure on the annual return has not been completed. We believe, based on prior year answers, that the council should have answered 'No' for both years in section 2 and n/a to section 1.

What do we recommend you do?

The council should ensure in future years that it answers 'No' in section 2, box 11 and 'N/a' in section 1, box 9 as the authority does not act as the sole trustee and is not responsible for managing trust funds or assets. If however the council does act as a sole trustee then the questions should be answered Yes.

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

Governance and Accountability in Local Councils in England 2014 - A Practitioners' Guide, NALC/SLCC

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 smaller authority has included grant monies received in box 2, rather than box 3, other receipts.

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

The following issue(s) have been raised to assist the council. The council is recommended to take action on the following issue(s) to ensure that the council acts within its statutory and regulatory framework.

Expenditure powers - S137 power incorrectly used

What is the issue?

A donation was made to the Citizens Advice Bureau which could have authorised under S142(2A) of the Local Government Act 1972, power to assist voluntary organisations to provide advice and information to individuals.

Why has this issue been raised?

The smaller authority incorrectly recorded items as Section 137 payments when other statutory powers existed. A payment cannot be recorded under S137 if another statutory power exists.

What do we recommend you do?

The smaller authority must ensure in future years that it reviews the list of statutory powers available to establish if a power exists before relying on S137 to authorise a payment. The statutory power being used to authorise expenditure should be recorded alongside the item to demonstrate the smaller authority has properly followed its standing orders and financial regulations.

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

Governance and Accountability in Local Councils in England 2014 - A Practitioners Guide, NALC/SLCC
NALC representative, NALC website - (www.nalc.gov.uk)
Audit Briefing, Spring 2010 - BDO

Fixed Assets

What is the issue?

The smaller authority has incurred significant expenditure during the year on a capital project which was still on going at the year end. The costs incurred to date have not been disclosed in Box 9 'Fixed Assets'. The total cost of the capital project will not be disclosed in box 9 until the project has been completed and the asset brought in to use.

Why has this issue been raised?

The accounts are currently understating the amount of the assets belonging to the authority as the asset is not recognised until completed.

What do we recommend you do?

As soon as the expenditure is completed, the asset must be included in the smaller authority's asset register and the figure in box 9 is updated to reflect this new asset.

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

Not applicable

No other matters came to our attention.

For and on behalf of
BDO LLP

Date: 22 August 2016
