

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 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:

- Minutes of external auditor's report - action plan not produced
- Internal auditor's report

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

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Internal auditor's report

What is the issue?

The internal auditor's findings were not reported to the smaller authority.

Why has this issue been raised?

Any potential weaknesses identified by the internal auditor is not being acted upon by the smaller authority during the current financial year.

What do we recommend you do?

The smaller authority must ensure in future years that the findings of the internal auditor are reported to the smaller authority. The smaller authority must devise an action plan, if there are any issues to report, which ensures the issues are dealt with appropriately. The smaller authority's approval of the audit report and if required details of the action plan should be recorded in the minutes.

It is essential that minutes clearly record the decisions of the smaller authority as they are the lawful record of the events of the meetings.

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

Local Council Administration, 7th Edition, Charles Arnold Baker, Chapter 18.15 to 18.18.

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Minuting of external auditor's report - action plan not produced

What is the issue?

It is noted that whilst the council have minuted the closure of the audit for the year ended 31 March 2016, it has not specifically minuted details of the issues raised in the audit and a proposed action plan to address the issues raised.

Why has this issue been raised?

The smaller authority are not acting in accordance with Proper Practices which state that all reports and/or recommendations made by the auditors are considered by the smaller authority.

What do we recommend you do?

The smaller authority must ensure all subsequent audit reports are reported to it and minuted as received. If recommendations are made, an action plan should be drawn up to ensure that the recommendations are carried out.

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: 21 August 2017
