



ISSUES ARISING REPORT FOR
Fordingbridge Town Council
Audit for the year ended 31 March 2016

Introduction

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

- Accounts approval
 - Internal Auditor's recommendations
 - Risk Assessment approved at a sub committee not the full smaller authority
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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.

Accounts approval

What is the issue?

The Accounts were approved after the commencement of the inspection period of the exercise of electors' rights.

Why has this issue been raised?

The Accounts and Audit Regulations 2015, reg 15(3) specifies that the Annual Governance statement must be approved. This is followed by the approval of the Accounting Statements. Both statements must be published including on a website with the notice of electors' rights. The electors' rights period should start on the following day. The smaller authority has not complied with the Accounts and Audit Regulations 2015.

What do we recommend you do?

The Smaller Authority must ensure in future years that the electors' rights inspection period commences after the accounting statements are approved. The Smaller Authority must also consider how to answer the question concerning the electors' rights period in the Annual Governance statement next year. The period of electors' rights that they must be considering is for the 2015/16 year as that is the period that has occurred during the year.

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

Accounts and Audit Regulations 2015

Internal Auditor's recommendations

What is the issue?

The internal auditor has made a few recommendations in respect to the 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

Risk Assessment approved at a sub committee not the full smaller authority*What is the issue?*

The smaller authority has minuted its review of the internal controls which include a review of the risk assessment during the year at a sub committee of the full smaller authority.

The committee minutes were reviewed after the year by the full smaller authority, however we do note that all the councillors of 'Fordingbridge Town Council' appear to be present or were mentioned in the 'apologies of absence' section of the 'Finance & Policy Committee' minutes. This effectively made the committee meeting a full town council meeting and as such no qualification was deemed necessary.

Why has this issue been raised?

The Accounts and Audit Regulations 2015, require the approval of a risk assessment at a full meeting and not at a sub committee of the smaller authority. Although the minutes of the sub committee were reviewed by the full smaller authority, it did not minute its acceptance of the risk assessment.

What do we recommend you do?

The smaller authority has minuted its review of the internal controls which include a review of the risk assessment during the year at a sub committee of the full smaller authority.

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

The Accounts and Audit Regulations 2015

No other matters came to our attention.

For and on behalf of
BDO LLP

Date: 18 August 2016
