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



Introduction

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

- Minor issues
- Level of Reserves

The following issue(s) have been raised to assist the council in improving its internal controls or working practices. The council is recommended to consider these but is under no statutory obligation to act upon them.

Level of Reserves

What is the issue?

The level of reserves held by the smaller authority appear high. The smaller authority is attempting to utilise funds and reduce the level of reserves over the coming years.

Why has this issue been raised?

The smaller authority has no power to hold excessive reserves unless they are saving for something in particular.

What do we recommend you do?

The smaller authority should continue to reduce their level of reserves to a more appropriate level. The generally accepted level of reserves is usually no more than the level of the precept or one year's expenditure.

It is also generally acceptable to hold higher reserves only when the smaller authority is saving for a specific item of capital or general expenditure and then the money should be held in a high interest account.

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 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.

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: 31 August 2016