

Mr P Lansberry
Middle Holme
Hellwell Lane
Kentmere
KENDAL
Cumbria
LA8 9JP

23 September 2015

our ref: 2015/A2/KENT02/FINAL

Dial: 023 8088 1700

Email: councilaudits@bdo.co.uk

Dear Mr Lansberry

Kentmere Parish Council - Audit for the year ended 31 March 2015

We have now completed the above audit. Please find enclosed the following documents;

- Fee Note
- Notice of Conclusion of Audit
- Notes regarding the advertisement of the Conclusion of the Audit
- Issues arising from the audit
- Date selection form for 2015/16
- Contact details
- Survey 2014/15
- Annual Return

The enclosed annual return should be presented to the council/body/board, now that our audit opinion has been given, and a minute should be made to show that the Annual Return has been approved and accepted by the council/body/board. The issues arising report should also be presented to the council/body/board and an action plan produced, if required, to indicate how the issues raised will be addressed. The annual return and notice of conclusion of audit should be displayed in a conspicuous place(s) for 14 days as soon as reasonably possible and before the 30 September 2015.

If you have any questions please contact Louise Caplen in the first instance.

Yours sincerely



Mrs Emma Prince
For and on behalf of BDO LLP

Enc.





ISSUES ARISING REPORT FOR
Kentmere Parish Council
Audit for the year ended 31 March 2015

Introduction

The following matters have been raised to draw items to the attention of Kentmere Parish Council. These matters came to the attention of BDO LLP during the audit of the annual return for the year ended 31 March 2015.

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;

- Not minuting acceptance of prior year audit report
 - Risk Assessment
 - Minuting Approval of the Annual Return
 - Precept
-

The following issue(s) have resulted in the annual return being qualified. They indicate a weakness in the council's procedures and require the council to take immediate action.

Risk Assessment

What is the issue?

The council have not minuted the review of a risk assessment as part of its review of the effectiveness of internal control during the year.

Why has this issue been raised?

This is a breach of regulation 4 of the Accounts and Audit (England) Regulations 2011 which requires authorities to review the effectiveness of internal control which includes arrangements for the management of risk.

What do we recommend you do?

The council must ensure that the risk assessment is reviewed and this review is minuted at least once a year before the end of the financial year. This review is for the council to evidence as a whole that they are satisfied that all the risks facing the council have been identified and safeguards have been put in place to protect against those risks.

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
Audit Briefing, Winter 2012 - BDO LLP

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.

Not minuting acceptance of prior year audit report

What is the issue?

Although the external auditor's report for the year to 31 March 2014 was discussed at a meeting, the Council has not minuted its acceptance of the report.

Why has this issue been raised?

The council may not be acting in accordance with the Audit Commission Act 1998, as transitionally saved. It is a requirement of this Act that all reports and/or recommendations made by the auditors are considered by the council.

What do we recommend you do?

The council must ensure all subsequent audit reports are reported to the council 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):

Audit Commission Act 1998 - Office of Public Sector Information website
Local Council Administration, 8th Edition, Charles Arnold-Baker, Chapter 18.15 to 18.18

Minuting Approval of the Annual Return

What is the issue?

The minutes supplied did not specifically minute the council's approval of Section 1 - Accounting statements, Section 2 - Annual Governance Statement and the yes/no answers to Section 2.

Why has this issue been raised?

Failure to minute the approval of the Accounting Statements and the Annual Governance Statement has exposed the council to undue risk of non adoption of the Annual Return.

What do we recommend you do?

The council must ensure in future years that the minutes clearly state their acceptance of Section 1 - Accounting statements and Section 2 - Annual Governance Statement and the minutes record their specific answers to Section 2.

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

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

Local Council Administration, 8th Edition, Charles Arnold-Baker; Chapter 7

Precept

What is the issue?

Although a budget was prepared and approved the precept figure resulting from this budget was not resolved at a meeting of the Council.

Why has this issue been raised?

The Council must resolve to approve the precept request before it is made and the precept figure should be minuted as actually agreed by the Council.

What do we recommend you do?

In future we would recommend that when the budget is reviewed and approved the resulting precept is resolved and approved and this is duly minuted.

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 Local Government Finance Act 1992

No other matters came to our attention.

For and on behalf of
BDO LLP

Date: 21 September 2015
