



**ISSUES ARISING REPORT FOR
Knowlton Group of Local Councils
Audit for the year ended 31 March 2017**

Introduction

The following matters have been raised to draw items to the attention of Knowlton Group of Local Councils. 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;

- Internal auditor's report
-

The following issues have been raised as we have detected issues with the governance arrangements of the smaller authority. It is recommended that the smaller authority consider these matters and decide what action to take to improve the governance arrangements as soon as possible.

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 to 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.

Introduction

The following items are being brought to the attention of the clerk of Knowlton Group of Local Councils. These items came to the attention of BDO LLP during the review of the annual return for the year ended 31 March 2017 but are not required to be reported to the smaller authority. These items are not considered to be either a breach of legislation or proper practices or other matters to report.

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;

- Internal Auditor Report
-

The following matters are being brought to your attention as we have detected administrative matters aimed at improving the review process in the future or items that have changed that we wish you to just note. These matters are not raised as formal matters and do not require reporting to the council.

Internal Auditor Report

What is the issue?

The clerk has stated that the Internal auditor did not produce a report, other than completing section 4 of the Annual Return.

Why has this issue been raised?

The lack of a report from the internal auditor means there is a lack of evidence of their review.

What do we recommend you do?

The internal auditor should be requested to produce a letter to state that there are no issues that came to their attention or to detail the work undertaken and their findings and this should be reported to the smaller authority.

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: 08 September 2017
