



ISSUES ARISING REPORT FOR
Kirkham Town Council
Audit for the year ended 31 March 2017

Introduction

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

- Fixed Assets
 - KIRK08 - Reserves brought forward and carried forward incorrect by £4900
 - Internal audit report
-

The following issues have resulted in the annual return being qualified. They indicate either a breach of proper practices or legislation and they require the smaller authority to take immediate action to rectify these issues.

Fixed Assets

What is the issue?

The smaller authority have amended the current year's fixed assets figure but has not amended the prior year figures to be on the same basis.

Why has this issue been raised?

This is not in accordance with Proper Practices which state that both years must be prepared on the same basis.

What do we recommend you do?

In future the smaller authority must ensure that both years' figures are prepared on the same basis.

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

KIRK08 - Reserves brought forward and carried forward incorrect by £4900

What is the issue?

Due to an error identified in the prior year numbers the reserves balance brought forward and carried forward is misstated by £4,900.

Why has this issue been raised?

The accounting statements have not been prepared in accordance with proper practices.

What do we recommend you do?

The smaller authority must ensure that the error is addressed on the 2018 annual return and the 2017 figures on that return restated to reflect the true position and carry forward figure.

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

Governance and Accountatbility for Local Councils in England - A Practitioners' Guide

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 audit report

What is the issue?

The clerk has stated that the internal auditor did not produce a report, other than completing the annual internal audit report 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 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: 30 September 2017
