

Introduction

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

- Risk Assessment

What do we recommend you do?

The smaller authority must ensure that a risk assessment is carried out as part of its review of the effectiveness of internal control before the end of the financial year. This review of effectiveness of internal control and risk assessment must be reviewed and minuted as evidence of the review being undertaken annually before the end of the financial year.

The smaller authority should decide which risks it faces and how it is going to reduce the impact of these risks on the smaller authority's ability to provide its services. An example of the risks and how they can be handled is included in A Practitioner's Guide 2014 version published by NALC & SLCC.

An example risk table is available on our website to assist any smaller authority in assessing and clarifying its risks. If the smaller authority decides to utilise this table then it should be reviewed in detail, modified and adapted to the smaller authority's specific needs. If you do not have access to the internet, contact us and we can supply you with a copy.

Further guidance on this matter can be obtained from the following sources:

Internal Control and Accountability in Local Councils in England - A Practitioner's Guide, NALC, SLCC
Audit Briefing, Winter 2012 - BDO LLP

No other matters came to our attention.

For and on behalf of
BDO LLP

Date: 02 September 2016

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 smaller authority have not carried out and minuted 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 Regulations 2015 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 smaller authority must ensure that a risk assessment is carried out as part of its review of the effectiveness of internal control before the end of the financial year. This review of effectiveness of internal control and risk assessment must be reviewed and minuted as evidence of the review being undertaken annually before the end of the financial year.

The smaller authority should decide which risks it faces and how it is going to reduce the impact of these risks on the smaller authority's ability to provide its services. An example of the risks and how they can be handled is included in "A Practitioner's Guide 2014 version" published by NALC & SLCC.

An example risk table is available on our extranet to assist the smaller authority in assessing and clarifying its risks. If the smaller authority decides to utilise this table then it should be reviewed in detail, modified and adapted to the smaller authority's specific needs. If you do not have access to the internet, contact us and we can supply you with a copy.

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

No other matters came to our attention.

For and on behalf of
BDO LLP

Date: 02 September 2016

BDO