
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.

Risk Assessment - Not minuted during the year

What is the issue?

The smaller authority has not minuted its review of effectiveness of internal control including its risk assessment 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 smaller 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 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 smaller authority to evidence as a whole that they are satisfied that all the risks facing the smaller authority 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

Assets

What is the issue?

It is noted that the assets paid for in 2016/17 have been included in the fixed assets figure, box 9, for 2016.

Why has this issue been raised?

The comparative figure in box 9 is overstated and the movement in the asset figures year on year does not correctly reflect the actual purchases and/or disposals.

The treatment of asset additions is therefore not in accordance with proper practices.

What do we recommend you do?

The smaller authority must ensure that it recognises its expenditure on fixed assets in accordance with proper practices.

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

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