



**ISSUES ARISING REPORT FOR
Moulton Parish Council (Northamptonshire)
Audit for the year ended 31 March 2017**

Introduction

The following matters have been raised to draw items to the attention of Moulton Parish Council (Northamptonshire). 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;

- Budget
 - Section 2
-

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.

Section 2

What is the issue?

The smaller authority has provided an explanation of why there are year on year differences in the Accounting Statements but it is insufficient and we are unable to form an opinion.

Why has this issue been raised?

The smaller authority may not be able to demonstrate an understanding of the Accounting Statements which is a requirement in the Practitioners' Guide.

What do we recommend you do?

The smaller authority should be able to fully explain any year on year differences to demonstrate an understanding of the Accounting Statements.

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 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.

Budget

What is the issue?

Although a precept was set by the due date, and the smaller authority did prepare a budget to support this, the budget did not appear to take into consideration the level of reserves held by the smaller authority when calculating the precept figure.

Why has this issue been raised?

The smaller authority may have contravened Para 50(1) of the Local Government Finance Act 1992 which states that every smaller authority must make calculations to decide upon a precept figure, which should include the review of reserves held.

What do we recommend you do?

The smaller authority must ensure in future years that an adequate budget is prepared to support its decision making process and to assist the financial management during the financial year. Consideration of the level of reserves held should be made as the smaller authority has no power to hold reserves.

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: 22 October 2017
