

NOTICE OF CONCLUSION OF AUDIT

(LOCAL AUDIT AND ACCOUNTABILITY ACT 2014
ACCOUNTS AND AUDIT REGULATIONS 2015)

FOR

Copythorne Parish Council

NOTICE is hereby given that the audit for the
year ended 31 March 2017 was completed on

28 September 2017

and the accounts are now available for inspection by local electors
in accordance with Section 25 of the Local Audit and Accountability Act 2014.
The requisite information as defined by Section 13(1) of the Accounts and Audit
Regulations 2015 ^{is} ~~is~~/is not* displayed alongside this notice

(* Please delete as necessary)

If the requisite information is not displayed alongside
this notice, it is available for inspection by appointment.

To arrange a viewing please contact

Mrs Susan Brayley
Spinaway, Wootton Road
Tipoe, Lymington, SO41 6FU
01590 681228

between the hours of 10.00am and 3.00pm.

Dated: 10th October 2017

Signed:
(Responsible Financial Officer)

Clerk Copythorne PC

From: Council Audits <councilaudits@bdo.co.uk>
Sent: 29 September 2017 09:40
To: clerk@copythorne.org.uk
Subject: Copythorne Parish Council: Audit conclusion [BDO-UK.FID4773502]

Dear Mrs Brayley,

Following on from our earlier conversation I would like to summarise the findings and conclusions of BDO for Copythorne parish council's audit. On the file is one raised qualified issue relating to the internal auditors report for a number of weaknesses noted and for not following correct practices. We note this conclusion from the internal auditor took place throughout the year, before the new clerk/RFO had been appointed and it is clear to see both the clerk and the council had reacted correctly toward this report it was just unfortunate they did not have enough time to action the points before the year end.

I would also like to confirm that the senior audit team have reviewed the audit and due to the responses provided by the clerk, one of the two qualified issues were removed.

We are happy to see that going forward there should be no issues next year as the council are acting accordingly to the issues noticed in the 16/17 audit.

Kind regards,

Becky Abbott

Local council team
For and on behalf of BDO LLP
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- International Payroll Provider Awards [2016 International Payroll Provider award](#)

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ISSUES ARISING REPORT FOR
Copythorne Parish Council
Audit for the year ended 31 March 2017

Introduction

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

- Risk Assessment
- Internal auditors 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.

Internal auditors report

What is the issue?

The internal auditor has made a number of serious recommendations, which indicate a number of breaches of proper practices and regulations.

Why has this issue been raised?

The smaller authority is exposed to the risks associated with these weaknesses.

What do we recommend you do?

The smaller authority must implement the recommendations made by the internal auditor to improve the financial systems of the smaller authority as soon as possible or in any event before the end of the current financial year.

If the smaller authority addresses all the issues raised by the internal auditor, the smaller authority should improve internal controls which will help to prevent and detect error and fraud and assist the smaller authority to operate in an effective and efficient manner.

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 Accounts and Audit Regulations 2015
The Local Government Finance Act 1992

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.

Risk Assessment

What is the issue?

The smaller authority has not carried out a risk assessment as part of its review of the effectiveness of internal control during the year but has stated this in its annual governance statement.

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 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 review should be noted in the minutes and any adoption should be resolved by 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: 28 September 2017

Section 1 – Annual governance statement 2016/17

We acknowledge as the members of:

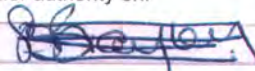
Enter name of
smaller authority here:

COPYTHORNE PARISH COUNCIL

our responsibility for ensuring that there is a sound system of internal control, including the preparation of the accounting statements. We confirm, to the best of our knowledge and belief, with respect to the accounting statements for the year ended 31 March 2017, that:

	Agreed		'Yes' means that this smaller authority:
	Yes	No*	
1. We have put in place arrangements for effective financial management during the year, and for the preparation of the accounting statements.		No	prepared its accounting statements in accordance with the Accounts and Audit Regulations.
2. We maintained an adequate system of internal control, including measures designed to prevent and detect fraud and corruption and reviewed its effectiveness.	Yes		made proper arrangements and accepted responsibility for safeguarding the public money and resources in its charge.
3. We took all reasonable steps to assure ourselves that there are no matters of actual or potential non-compliance with laws, regulations and proper practices that could have a significant financial effect on the ability of this smaller authority to conduct its business or on its finances.	Yes		has only done what it has the legal power to do and has complied with proper practices in doing so.
4. We provided proper opportunity during the year for the exercise of electors' rights in accordance with the requirements of the Accounts and Audit Regulations.	Yes		during the year gave all persons interested the opportunity to inspect and ask questions about this authority's accounts.
5. We carried out an assessment of the risks facing this smaller authority and took appropriate steps to manage those risks, including the introduction of internal controls and/or external insurance cover where required.		No	considered the financial and other risks it faces and has dealt with them properly.
6. We maintained throughout the year an adequate and effective system of internal audit of the accounting records and control systems.	Yes		arranged for a competent person, independent of the financial controls and procedures, to give an objective view on whether internal controls meet the needs of this smaller authority.
7. We took appropriate action on all matters raised in reports from internal and external audit.	Yes		responded to matters brought to its attention by internal and external audit.
8. We considered whether any litigation, liabilities or commitments, events or transactions, occurring either during or after the year-end, have a financial impact on this smaller authority and, where appropriate have included them in the accounting statements.	Yes		disclosed everything it should have about its business activity during the year including events taking place after the year-end if relevant.
9. (For local councils only) Trust funds including charitable. In our capacity as the sole managing trustee we discharged our accountability responsibilities for the fund(s)/assets, including financial reporting and, if required, independent examination or audit.	Yes	No	NA
			has met all of its responsibilities where it is a sole managing trustee of a local trust or trusts.

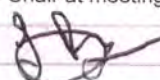
This annual governance statement is approved by this smaller authority on:

 27/6/17

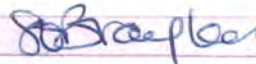
and recorded as minute reference:

32A

Signed by Chair at meeting where approval is given:



Clerk:



*Note: Please provide explanations to the external auditor on a separate sheet for each 'No' response. Describe how this smaller authority will address the weaknesses identified.

Section 2 – Accounting statements 2016/17 for

Enter name of
smaller authority here:

COPYTHORNE PARISH COUNCIL

REINSTATED 2015/16

	Year ending		Notes and guidance
	31 March 2016 £	31 March 2017 £	
1. Balances brought forward	20719	20576	Total balances and reserves at the beginning of the year as recorded in the financial records. Value must agree to Box 7 of previous year.
2. (+) Precept or Rates and Levies	14700	14995	Total amount of precept (or for IDBs, rates and levies) received or receivable in the year. Exclude any grants received.
3. (+) Total other receipts	4859	8297	Total income or receipts as recorded in the cashbook less the precept or rates/levies received (line 2). Include any grants received.
4. (-) Staff costs	8529	8201	Total expenditure or payments made to and on behalf of all employees. Include salaries and wages, PAYE and NI (employees and employers), pension contributions and employment expenses.
5. (-) Loan interest/capital repayments	0	0	Total expenditure or payments of capital and interest made during the year on the smaller authority's borrowings (if any).
* 6. (-) All other payments	11173	14980	Total expenditure or payments as recorded in the cashbook less staff costs (line 4) and loan interest/capital repayments (line 5).
7. (=) Balances carried forward	20576	20687	Total balances and reserves at the end of the year. Must equal (1+2+3) – (4+5+6)
8. Total value of cash and short term investments	20576	20687	The sum of all current and deposit bank accounts, cash holdings and short term investments held as at 31 March – To agree with bank reconciliation.
9. Total fixed assets plus long term investments and assets	8668	9031	This cell shows the value of all the property the authority owns. It is made up of its fixed assets and long-term investments.
10. Total borrowings	0	0	The outstanding capital balance as at 31 March of all loans from third parties (including PWLB).
11. (For Local Councils Only) Disclosure note re Trust funds (including charitable)	Yes	No	The Council acts as sole trustee for and is responsible for managing Trust funds or assets. N.B. The figures in the accounting statements above do not include any Trust transactions.

I certify that for the year ended 31 March 2017 the accounting statements in this annual return present fairly the financial position of this smaller authority and its income and expenditure, or properly present receipts and payments, as the case may be.

Signed by Responsible Financial Officer:

BBraley

Date

27-6-17.

I confirm that these accounting statements were approved by this smaller authority on:

27/6/17.

and recorded as minute reference:

32 B

Signed by Chair at meeting where approval is given:

[Signature]

* RECEIPTS & PAYMENTS BASIS.

Section 3 – External auditor report and certificate

In respect of:

Enter name of
smaller authority here:

COPYTHORNE PARISH COUNCIL

1. Respective responsibilities of the body and the auditor

This smaller authority is responsible for ensuring that its financial management is adequate and effective and that it has a sound system of internal control. The smaller authority prepares an annual return in accordance with proper practices which:

- summarises the accounting records for the year ended 31 March 2017; and
- confirms and provides assurance on those matters that are relevant to our duties and responsibilities as external auditors.

Our responsibility is to review the annual return in accordance with guidance issued by the National Audit Office (NAO) on behalf of the Comptroller and Auditor General (see note below). Our work does not constitute an audit carried out in accordance with International Standards on Auditing (UK & Ireland) and does not provide the same level of assurance that such an audit would do.

2. 2016/17 External auditor report

(Except for the matters reported below)* on the basis of our review of the annual return, in our opinion the information in the annual return is in accordance with proper practices and no other matters have come to our attention giving cause for concern that relevant legislative and regulatory requirements have not been met. (*delete as appropriate).

(continue or) There is a breach of Proper Practices, regulations or legislation which we have noted in our opinion - please see enclosed report.

Other matters not affecting our opinion which we draw to the attention of the smaller authority:

Please see enclosed report

(continue on a separate sheet if required)

3. 2016/17 External auditor certificate

We certify/~~do not certify~~* that we have completed our review of the annual return, and discharged our responsibilities under the Local Audit and Accountability Act 2014, for the year ended 31 March 2017.

* We do not certify completion because:

External auditor signature

BPO LLP

External auditor name

BPO LLP Southampton
United Kingdom

Date

28/9/17

Note: The NAO issued guidance applicable to external auditors' work on 2016/17 accounts in Auditor Guidance Note AGN/02. The AGN is available from the NAO website (www.nao.org.uk)

Annual internal audit report 2016/17 to

Enter name of
smaller authority here:

COPYTHORNE PARISH COUNCIL

This smaller authority's internal audit, acting independently and on the basis of an assessment of risk, carried out a selective assessment of compliance with relevant procedures and controls expected to be in operation during the financial year ended 31 March 2017.

Internal audit has been carried out in accordance with this smaller authority's needs and planned coverage. On the basis of the findings in the areas examined, the internal audit conclusions are summarised in this table. Set out below are the objectives of internal control and alongside are the internal audit conclusions on whether, in all significant respects, the control objectives were being achieved throughout the financial year to a standard adequate to meet the needs of this smaller authority.

Internal control objective	Agreed? Please choose only one of the following		
	Yes	No*	Not covered**
A. Appropriate accounting records have been kept properly throughout the year.		✓	
B. This smaller authority met its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.	✓		
C. This smaller authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.		✓	
D. The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.	✓		
E. Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.		✓	
F. Petty cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for.			N/A None Held
G. Salaries to employees and allowances to members were paid in accordance with this smaller authority's approvals, and PAYE and NI requirements were properly applied.		✓	
H. Asset and investments registers were complete and accurate and properly maintained.	✓		
I. Periodic and year-end bank account reconciliations were properly carried out.		✓	
J. Accounting statements prepared during the year were prepared on the correct accounting basis (receipts and payments or income and expenditure), agreed to the cash book, supported by an adequate audit trail from underlying records and where appropriate debtors and creditors were properly recorded.	✓		

K. (For local councils only)	Yes	No	Not applicable
Trust funds (including charitable) – The council met its responsibilities as a trustee.			✓

For any other risk areas identified by this smaller authority adequate controls existed (list any other risk areas below or on separate sheets if needed)

SEE SUPPLEMENTARY SHEET PROVIDED FOR DETAILED INFORMATION

Name of person who carried out the internal audit

TIM LIGHT FMAAT

Signature of person who carried out the internal audit

TJ Light

Date

23/06/2017

*If the response is 'no' please state the implications and action being taken to address any weakness in control identified (add separate sheets if needed).

**Note: If the response is 'not covered' please state when the most recent internal audit work was done in this area and when it is next planned, or, if coverage is not required, internal audit must explain why not (add separate sheets if needed).

Agenda Item 11 – To Receive Conclusion of External Audit Report and Documents

To: All Copythorne Parish Councillors

From: The Clerk/RFO to Copythorne Parish Council

Dear Cllrs

I have now received the Notice of Conclusion of Audit and the Issues Arising Report from the External Auditors, BDO.

I am pleased to advise that the **Risk Assessment - not minuted** item has been removed, leaving us with just one qualification - **The internal auditor has made a number of serious recommendations, which indicate a number of breaches of proper practices and regulations.**

However, I have also received the following email from the External Auditors, which gives positive endorsement of both the Clerk and Councillors' actions both before the end of the audit period (31st March 2017) and going forward into the current financial year.

Dear Mrs Brayley,

Following on from our earlier conversation I would like to summarise the findings and conclusions of BDO for Copythorne parish council's audit. On the file is one raised qualified issue relating to the internal auditor's report for a number of weaknesses noted and for not following correct practices. We note this conclusion from the internal auditor took place throughout the year, before the new clerk/RFO had been appointed and it is clear to see both the clerk and the council had reacted correctly toward this report it was just unfortunate they did not have enough time to action the points before the year end.

I would also like to confirm that the senior audit team have reviewed the audit and due to the responses provided by the clerk, one of the two qualified issues were removed.

We are happy to see that going forward there should be no issues next year as the council are acting accordingly to the issues noticed in the 16/17 audit.

Kind regards,

Becky Abbott

Local council team

For and on behalf of BDO LLP

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Maritime Walk - Ocean Village

Southampton SO14 3TL

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Please see attached copy of the Issues arising report from the Auditors. I would draw your attention to the paragraph on P2 (Introduction)

"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"

I would like to reassure Cllrs that due to the comprehensive audit of both finances and policies and procedures carried out by the Internal Auditor, Council may be confident that Copythorne Parish Council is now fully compliant with all Audit requirements.