

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

Introduction

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

- Tenders/Budget
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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.

Tenders/Budget

What is the issue?

A decision was taken to purchase some finials after the budget for 2015/16 was set. Costs were incurred in 2015/16 and 2016/17. A budget was set in 2016/17 for the cost of the finials which included the costs paid in 2015/16. The finials were redesigned part way through the project and the budget was not revisited. The final costs exceeded the budget set.

No quotations or estimates were not sought for the purchase of the finials. It would appear that the company selected was decided by an elector of the area, who contributed towards the finials, and not the smaller authority.

Why has this issue been raised?

The smaller authority should follow standing orders which state that when costs are going to be incurred, estimates should be sought if the costs are under £3,000 and quotations should be sought when the costs are between £3,000 and £60,000. The final cost to the council was £3,771.60 including VAT so 3 quotations should have been sought. The smaller authority must take control of any projects they are paying for and not rely upon others to make arrangements.

In accordance with the Local Government Finance Act 1992 a budget must be set for any potential costs likely to be incurred.

What do we recommend you do?

The smaller authority must ensure that its budget includes all known potential costs. Any costs which become apparent after the budget has been set must have funds vired to it from other budget headings or reserves.

Quotations or estimates should be sought for all costs which exceed the limits set by the financial regulations.

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

The Local Government Finance Act 1992
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: 06 November 2017
