
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.

Preparation of the Accounting statements

What is the issue?

The internal auditor has prepared or assisted in the preparation of the Accounting Statements, Section 2 of the Annual Return.

Why has this issue been raised?

The internal auditor has compromised his/her independence.

What do we recommend you do?

The smaller authority must review its procedures with regards to the preparation of the Accounting Statements and ensure this conflict does not arise in future years. This will safeguard the internal auditor's independence and ensure the smaller authority fulfils its statutory obligations to prepare its accounts.

The smaller authority is entitled to delegate its responsibility for preparing the Accounting Statements to the Responsible Financial Officer, Clerk or other external organisation provided that they are not the internal or external auditor.

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
