

ISSUES ARISING REPORT FOR  
Walberswick Parish Council  
Audit for the year ended 31 March 2013

**BDO**

## Introduction

The following matters have been raised to draw items to the attention of Walberswick Parish Council. These matters came to the attention of BDO LLP during the audit of the annual return for the year ended 31 March 2013.

The audit 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;

- Answered "No" to Section 2 - Question 2
  - Salaries
  - Donated assets
-

---

The following issue(s) have resulted in the annual return being qualified. They indicate a weakness in the council's procedures and require the council to take immediate action.

#### Answered "No" to Section 2 - Question 2

##### *What is the issue?*

The council have stated that it has not taken all reasonable steps to assure itself that there are no matters of non-compliance with laws, regulations and codes of practice.

##### *Why has this issue been raised?*

This is a breach of regulation 4 of the Accounts and Audit (England) Regulations 2011.

##### *What do we recommend you do?*

The council must ensure that it implements all necessary measures to assure there are no matters of non-compliance with immediate effect.

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

#### Salaries

##### *What is the issue?*

The Council has not followed proper practices in assessing and documenting the increase in salary of a member of staff. The timesheets maintained by the Council to support the hours worked did not provide an adequate audit trail to confirm that hours worked were valid.

##### *Why has this issue been raised?*

The increase in salary costs during the year were over £6,500 and therefore has an impact on the budget. The precept for the year was sufficient to cover this increase although it had been raised to cover other planned expenditure. The increase in salary was due to the scale rate being applied being raised from point 16 to scale point 35-38. The costs had also gone up due to the increased hours worked by the member of staff.

While the underlying timesheets were not clear, it must be noted that the council did approve these payments in their meetings. In our opinion proper documentation to assess the role and job requirements was not maintained, and at the May 2012 meeting at which the NALC job profiles were referenced and the staff member's pay rise was agreed, no proper documented assessment of the profiles appear to have been presented.

The member of staff has since left the employment of the Council.

A review of the post by the East of England Local Government Association was undertaken and concluded that the role of the member of staff should be scale point 18-22. The report, which was noted by the Council on the 29 July 2013, also concluded that the process followed by the Council was seriously flawed.

##### *What do we recommend you do?*

We recommend that the Council ensure they have a job profile and contract when employing members of staff and it is reviewed in line with the NALC pay scales. In future any pay awards are to be agreed by the Council following best practice to ensure that the role for the member of staff is properly reviewed and assessed against these profiles and this review is adequately documented. Where the resultant award is above the normal scale for the size of the Council we would strongly

---

---

recommend that the Council document why this is considered acceptable so that it can be justified. We are aware that timesheets have now been drawn up that should provide an adequate audit trail as long as they are properly authorised as would any expenditure be so authorised. The Council should monitor the level of overtime to ensure that if it exceeds budgeted costs these can be justified and managed within the precepted income and not at the expense of other budgeted expenditure. The Council should consider whether the expenditure in 2012/13 was appropriate and if not they should consider whether there are grounds to claim overpayments.

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

EELGA report

The Practitioners' Guide - NALC and SLCC, Local Council Administration - Charles Arnold Baker

### **Donated assets**

#### *What is the issue?*

The council has increased the value of the assets held due to the adoption of new assets given to the council without charge. These items have been given a proxy cost value in the absence of payment being made for these assets during the year.

#### *Why has this issue been raised?*

The cost of assets in the case of donated assets is a nil value, or can be valued at a £1, and this is the value to be included in box 9. A memorandum column can be added in the fixed asset register of the insurance or professional value to record proxy or insurance values for governance purposes.

#### *What do we recommend you do?*

The council should review its fixed asset register and include all donated assets at nil value. On the 2014 annual return the comparative figure for 2013 should be restated and this will form the basis for additions and disposals going forward.

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: 07 October 2014

---