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

BDO

Introduction

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

- Asset Valuation
- Gifted asset additions

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.

Asset Valuation

What is the issue?

The smaller authority has not included the value of all fixed assets on its annual return. There are assets on the asset register which have not been included on the return.

Why has this issue been raised?

The value of fixed assets as recorded on the annual return could therefore be understated.

What do we recommend you do?

The smaller authority must include all fixed assets owned by the body in Section 2 of the Annual Return. This should be the value of all fixed assets recorded in the fixed assets register. Assets comprise of land, buildings, plant and equipment, vehicles, etc property that will be of economic benefit to the smaller authority over a period substantially longer than one financial year.

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

Gifted asset additions

What is the issue?

The smaller authority restated the prior year asset figure to include an asset that was gifted at nil cost to the smaller authority. The authority has given this asset a value in box 9 of the annual return.

Gifted or adopted assets should not be given an estimated value on the annual return, it should be included at a £1 or nil, as it cost nothing to the smaller authority.

Why has this issue been raised?

The accounting treatment is not in compliance with proper practices.

What do we recommend you do?

The Practitioners Guide states that all assets should be held at cost. In future the smaller authority should review the current Practitioners Guide to ensure that the are accounting for assets correctly.

The cost value of assets is not expected to change unless an asset is ever disposed of or scrapped.

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: 08 September 2017