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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.

#### **Fixed Assets**

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

The smaller authority have amended the current year's fixed assets figure but has not amended the prior year figures to be on the same basis.

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

This is not in accordance with Proper Practices which state that both years must be prepared on the same basis.

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

In future the smaller authority must ensure that both years' figures are prepared on the same basis.

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

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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.

### **Asset Register**

#### *What is the issue?*

The smaller authority's asset register is incomplete and does not contain some or all of the following information for each asset held;

- date acquired;
- purchase cost, and
- location held.

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

The smaller authority is at risk of not safeguarding its assets.

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

The smaller authority must update its fixed asset register to include date acquired, purchase cost and location held of each asset held as soon as possible or in any event before the end of the current financial year.

An asset register should be in existence to help ensure that the recorded value of assets and investments is, as far as possible, accurate and to ensure the smaller authority is safeguarding its assets. The accuracy of such a register should be verified by the Internal Auditor in their annual review of the internal controls of 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 Audit Briefing, Spring 2011 - BDO LLP

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The following matters are being brought to your attention as we have detected administrative matters aimed at improving the review process in the future or items that have changed that we wish you to just note. These matters are not raised as formal matters and do not require reporting to the council.

#### **Minor issues**

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

The following issues have been raised as minor issues or omissions have been identified in the current year's Annual Return:

The smaller authority has included Council Tax Support (CTS) grant monies received in box 2, rather than box 3, other receipts.

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

This is to draw these minor errors to the attention of the smaller authority.

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

The smaller authority should ensure in future years that the above minor errors or omissions are not included in the Accounting Statements.

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: 13 September 2017

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