



ISSUES ARISING REPORT FOR
Sealand Community Council
Audit for the year ended 31 March 2016

Introduction

The following matters have been raised to draw items to the attention of Sealand Community Council. These matters came to the attention of BDO LLP during the audit of the annual return for the year ended 31 March 2016.

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;

- Fixed assets shown at insurance value rather than purchase cost
 - Approval of the annual return
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The following issue(s) have been raised to assist the body. The body is recommended to take action on the following issue(s) to ensure that the body acts within its statutory and regulatory framework.

Fixed assets shown at insurance value rather than purchase cost

What is the issue?

It has come to our attention that fixed assets have been included in box 12 at a valuation amount. All assets should be included at cost.

A council should not adjust assets disclosed on the annual return for revaluations, depreciation or impairment. The only movements on assets should be the cost of additions or the cost value of any disposals.

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 council should review the current Practitioners' Guide to ensure that they 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 for Local Councils in Wales - A Practitioners' Guide, OVW/SLCC

Approval of the annual return

What is the issue?

The council have not entered the minute reference and date for the approval of the accounting statements and annual governance statement.

The council have confirmed that the minute reference and date of approval was 15/299 and the date was 18 April 2016.

Why has this issue been raised?

The annual return has not been fully completed in accordance with requirements.

What do we recommend you do?

The council must ensure that all relevant boxes are fully complete before submitting the annual return for audit.

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

Governance and Accountability for Local Councils in Wales, A Practitioners' Guide - OVW/SLCC

No other matters came to our attention.

For and on behalf of
BDO LLP

Date: 02 September 2016
