

Other matters not affecting our opinion which we wish to draw to the attention of Badgeworth Parish Council for the year ended 31 March 2016

Order of signing the Annual governance statement (Section 1) and the Accounting statements (Section 2)

The Parish Council has considered, approved and signed the Annual Governance Statement (Section 1) and the Accounting Statements (Section 2) on the same day and under the same minute reference. The Accounts and Audit Regulations 2015 stipulate that the Annual Governance Statement must be considered, approved and signed before the Accounting statements at Section 2 by resolution of members of the authority meeting as a whole. In future, the Parish Council should ensure that the minute references clearly demonstrate that the Annual Governance Statement was considered, approved and signed before the Accounting statements.

Budgetary Process

The internal auditor answered 'No' to objection D, precept. The internal auditor indicated that the precept demand had not been recorded on the minutes. The Council must ensure that all budget decisions adopted by the Council are recorded in the minutes.

Accounting for Assets

The internal auditor answered 'No' to objection H assets and investments. The internal audit report noted that at the time of the audit there was no evidence that the Council assets have been inspected for risk or valued appropriately. Local councils are required to account for fixed assets at purchase cost. If this is not known a proxy cost should be substituted (e.g. insurance value). Commercial concepts of depreciation or impairment adjustments, etc. are not appropriate for local councils. For reporting purposes therefore, the 'book' value of fixed assets will usually stay constant until disposal. Where insurance value has been used as a proxy, it must not be adjusted for annual changes.

Guidance on accounting for fixed assets is available in the NALC / SLCC publication 'Governance and Accountability for Local Councils – A Practitioners Guide (England)' paragraphs 3.66 to 3.77.

The Council should restate the 2016 figures on next year's Annual Return and write 'Restated' beneath the £ sign on the 2016 column.

The Practitioners' Guide has been updated in 2016 and new guidance on accounting for fixed assets will apply in 2016/17. The Council should review this guidance when completing the 2016/17 Annual Return and ensure that it classifies its assets appropriately and the correct value of the asset is included in Box 9.