



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

## Introduction

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

- Fixed asset additions recognised before payment
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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 asset additions recognised before payment**

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

The smaller authority has recognised a fixed asset addition in box 9 on the annual return. The payment for the asset was outstanding at the year end and as the smaller authority was accounting on a receipts and payments basis, the payment was not accounted for in the accounts.

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

Fixed assets are required to be recorded at purchase cost. Until a purchase cost has been recognised in the accounts, a cost value should not be assigned to the asset. The fixed asset figure is therefore overstated as a result.

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

The smaller authority must ensure that the cost values of assets are only recognised when the expenditure has been accounted.

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

Governance and Accountability for Local Councils in England - A Practitioners' Guide

**No other matters came to our attention.**

For and on behalf of  
BDO LLP

Date: 30 September 2017

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