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## Introduction

The following matters have been raised to draw items to the attention of Droxford 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 Assets

**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 has not included all additions or replacements of fixed assets, in the year in box 9 of Section 2 of the Annual Return

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

The value of fixed assets included in the Annual Return appears to be under valued.

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

The smaller authority must ensure that the value of its fixed assets is correctly stated in Section 2 of the Annual Return. The value of all fixed assets must be recorded in the fixed assets register. Assets may comprise of land, buildings, plant and equipment, vehicles, notice boards, street furniture etc, property that will be of economic benefit to the meeting over a period substantially longer than one financial year.

The smaller authority must ensure that the register of assets is updated to record all additions and disposals of assets on an annual 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

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

For and on behalf of  
BDO LLP

Date: 26 September 2017