



ISSUES ARISING REPORT FOR  
Gisburn Parish Council  
Audit for the year ended 31 March 2016

## Introduction

The following matters have been raised to draw items to the attention of Gisburn Parish Council. These matters came to the attention of BDO LLP during the audit of the annual return for the year ended 31 March 2016. This report must be presented to a full meeting of the smaller authority for review.

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;

- Minor issues
  - VAT Returns
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The following issue(s) have been raised as there are minor errors on the annual return which we wish to draw to the attention of the council so they do not occur again in future years.

**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 figures inserted in box 7 and 8 do not agree by £1. The accounts were prepared on a receipts and payments basis and therefore box 7 and 8 should agree.

*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

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The following issue(s) have been raised to assist the council. The council is recommended to take action on the following issue(s) to ensure that the council acts within its statutory and regulatory framework.

### VAT Returns

#### *What is the issue?*

The smaller authority has not submitted a VAT return to HM Revenue & Customs (HMRC) during the year.

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

It is the smaller authority's responsibility to reclaim all the VAT, where applicable, to reduce the amount of precept claimed in any financial year. Failing to reclaim VAT is increasing costs paid by the authority.

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

The smaller authority should submit regular (monthly, quarterly or annual) VAT returns to comply with VAT regulations. The smaller authority should ensure VAT claims are made at least once every three years as HMRC have now time limited reclaims of VAT to three years.

The smaller authority should contact HMRC for advice and submit all outstanding VAT returns as soon as possible. The smaller authority should produce a VAT internal control procedure which should be reviewed by the smaller authority's internal auditor.

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

Governance and Accountability in Local Councils in England 2014 - A Practitioners Guide, NALC/SLCC Audit Briefing, Winter 2012 - BDO LLP

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

For and on behalf of  
BDO LLP

Date: 12 August 2016

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