

ISSUES ARISING REPORT FOR
Colney Heath Parish Council
Audit for the year ended 31 March 2013

Introduction

The following matters have been raised to draw items to the attention of Colney Heath Parish Council. These matters came to the attention of BDO LLP during the audit of the annual return for the year ended 31 March 2013.

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;

- VAT
-

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

What is the issue?

The council have not submitted a VAT return to HM Revenue & Customs (HMRC) during the year, and has a debtor for the past 3 years in the accounts for VAT not claimed

Why has this issue been raised?

It is the council'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 council. The debtor included in the accounts may not be repayable if the claim is made too late.

What do we recommend you do?

The council should submit regular (monthly, quarterly or annual) VAT returns to comply with VAT regulations. The council should ensure VAT claims are made on a regular basis.

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

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 Audit Briefing, Winter 2012 - BDO LLP

No other matters came to our attention.

For and on behalf of
BDO LLP

Date: 30 August 2013
