

Hi Mr Bramley,

Regarding following except for matter raised in your external audit report:-

1. The smaller authority has confirmed that it owns fixed assets, but that the recognition policy for those assets is to value them all at £Nil. This policy does not give a reader of the Accounting Statements the ability to draw any meaning from the Box 9 figures stated on the AGAR or to recognise any changes in those assets year to year. The Practitioners' Guide (the Guide) states that smaller authorities 'need to apply a reasonable approach to asset valuation which is consistent from year to year'. Under this range of possible approaches, all assets are expected to carry some value, however small. In particular, the Guide states that where assets are gifted at zero cost to the authority they should be recorded at a nominal value of £1. The smaller authority should therefore reconsider the valuation policy for all fixed assets and draw up a policy to be approved by the authority and recorded in both the authority's minutes and in the asset register. When submitting the 2020/21 AGAR, the smaller authority should ensure that the 2019/20 comparative figure in Box 9 is restated for consistency and comparability.

We can confirm that the wording should be 'some' not 'all' of the fixed assets. This email will be published alongside your report as confirmation of the mistake.

If you have any questions please do not hesitate to call on the below number.

Kind regards

Chloe Thompson

SBA Team

For and on behalf of PKF Littlejohn LLP