



Accounting Solutions

from DCK Beavers Ltd

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ASSET MANAGEMENT SOFTWARE

We receive many requests from councils to advise them on how they can effectively record and keep track of their assets. There has also been increased emphasis on asset schedules from external auditors who are regularly checking that asset values included in the Annual Return are in accordance with the requirements of the Accounts and Audit Regulations.



DCK Beavers have carried out a review of the various software solutions available and have now tied up with Pear Technology to provide an Asset Management solution for Town and Parish Councils. Pear Technology have a track record of providing software to local councils particularly in the mapping of assets and cemeteries.

The solution offered is scalable with the entry level offering a full asset listing including locations, custodians and digital images of assets. This can be upgraded to include depreciation schedules and mapping of asset locations which are increasing demanded by councils with larger asset holdings.

DCK Beavers will offer full training and implementation of the software as well as online support. Any enquiries regarding the software can be made to admin@dckbeavers.co.uk or by phone on 01793 739110.

The Public Sector Deposit Fund

A new Deposit Fund was launched on 25th May 2011. The Public Sector Deposit Fund is managed by CCLA which is owned by, and manages funds exclusively for, the Church of England, Charities and Local Authorities.

Their website states;

'The fund is designed to ensure that shares will be invested in a manner appropriate for approval by local authorities...'

The PSDF is regulated by the FSA and should be regarded as an investment fund rather than a bank

account. This will have implications for Town and Parish councils for whom such investments would be accounted for as capital expenditure for Annual Return purposes in accordance with the Accounts and Audit Regulations.

Further details of the fund can be obtained from their website www.psdf.co.uk



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Internal Audit

This summer saw the launch of Internal Audit & Compliance Ltd, an arms length subsidiary of DCK Beavers. IAC Ltd offers internal audit services to council clients completely independently of DCK Beavers and has already undertaken a large number of audits of the 2010-11 Annual Return. Further information can be obtained from our website www.audit-iac.co.uk or by email admin@audit-iac.co.uk.

External Audit

The Department of Communities and Local Government has announced that all of the local public audit work currently carried out by the audit commission will be outsourced to the private sector in the next financial year. The contracts will be awarded for terms of 3-5 years which is intended to give local councils 'time to plan for appointing their own auditors'.

The consultation on 'Future of local public audit' closed on 30th June 2011 and we are awaiting publication of the outcome of this consultation.

VAT

We are still receiving a lot of enquiries relating to VAT, in particular from councils concerned that they have breached the de minimis limits, or that they may do so in future. Our advice on this issue remains the same.

- **Do not assume that you will get back all of your VAT because you are a Section 33 body**
- **Do not wait until you have spent all the money before acting on the VAT - Check the exact situation as early as possible.**

If you have any doubts or concerns regarding your VAT position please feel free to contact us for a free of charge consultation, either by phone on 01793 739110, or by email admin@dckbeavers.co.uk.

Devolution Solutions

The localism agenda has now grown wings. More town and parish councils are looking at taking on a wider range of services from principal authorities and a new company has been formed to offer advisory services to both local councils and principal authorities. Devolution Solutions Ltd has a team of consultants with a breadth of experience both at parish council and at principal authority level who are able to advise on the issues posed by devolution initiatives. Further information on Devolution Solutions can be obtained from Derek Kemp at DCK Beavers.

Localism - Practical Considerations

There have been a number of instances of Town and Parish Councils taking on services or facilities previously operated by larger authorities. Quite often these are halls or other large civic facilities which the larger authorities no longer wish to operate.

Many councils have responded to this by offering to take over the management or operation of the facility without fully understanding the potential financial implications. These include:

- **A significant amount of 'exempt' income that may jeopardise the de minimis limits and result in a loss of VAT**
- **A lack of clear information regarding operating costs of facilities**
- **Potentially significant capital**

expenditure requirements (many of these facilities and in need of improvement or modernisation)

- **Additional staffing requirements to operate and maintain the facility**
- **Possible I.T. issues in linking the facilities to existing council systems**

There is also a tendency for the larger authorities to offer some form of subsidy for the first year of operation, without however making commitments beyond this. This can result in failure to fully appreciate the significant ongoing commitment that such facilities involve.

Our advice is to carry out a full costing exercise to quantify what the impact will be over the medium to long term. We suggest that this

should cover a period of 5-10 years and should consider Capital costs in addition to the running costs. It is often surprising how significant these costs can be!



About DCK Beavers

DCK Beavers is an accountancy business located just off Junction 16 of the M4. Originally founded in 2001 by directors Derek Kemp and Melodie Beavers, DCK Beavers provides accounting services for both Town and Parish Councils and commercial clients. Recently the professional strength of the firm has been increased by the joining of Kevin Rose as a Director.

Over the years the business has built a reputation as industry leaders in providing accounting solutions to Town, Parish and Community Councils and now has a client base throughout England and Wales.

The services provided include preparation of annual accounts, budgeting assistance, book keeping services on a short term or contract

basis, specialist advice on VAT and PAYE and other taxes as well as advise and feasibility work relating to capital projects.

Due to its history of commitment to its clients DCK Beavers has developed a reputation as a cost effective and reliable partner for councils.