

Our Ref. TMP / JJA / N0423

Your Ref.

North Western Inshore Fisheries and Conservation Authority
1 Preston Street
CARNFORTH
LA5 9BY

8 September 2026

Dear Sirs

Report to Management

During the course of our internal audit for the year ended 31 March 2026 we can confirm no matters arose which we consider should be brought to your attention.

No matters came to light during the course of our normal audit tests which are designed to assist us in forming our opinion on the financial statements. Our tests may not necessarily disclose all errors or irregularities and should not be relied upon to do so. However, if any irregularity did come to our attention during our audit test, we would, of course, inform you immediately

This report has been prepared for the sole use of the Committee of North Western Inshore Fisheries and Conservation Authority and must not be shown to third parties without our prior consent. No responsibilities are accepted by Xeinadin towards any party acting or refraining from action as a result of this report.

Finally, we would like to express our thanks to all members of the company's staff who assisted us in carrying out our work.

Kind regards

Yours sincerely



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Partner

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**FORWARD THINKERS.
TRUSTED ADVISORS.**

North Western Inshore Fisheries and Conservation Authority

Points brought forward from 2025:

Points noted, Implications and Recommendations	Comments
1) Point noted – A fixed asset register is maintained by Rushton's, including: Motor Vehicles, Vessels and ATVs. All other potential 'assets', such as laptops, equipment, fixtures and fittings are all still included as revenue expenses. Implications – Due to the Authority being an Authority there are no tax implications of having these 'assets' as revenue expenditure. However not maintaining an asset register will make it hard to keep track of all the 'assets' owned by the authority, this means: a) It becomes easier for assets to be lost or misappropriated b) It is harder to monitor the age / impairment of assets, and therefore budget accurately, for when assets need replacing. By not including all the 'assets' on the balance sheet, it also means the balance sheet total isn't accurate and the Authority can't see its true balance sheet position. Recommendation – Update the fixed asset register to also include other 'assets', not just vehicles, boats and ATVs and therefore include these items on the Authority's balance sheet. These could be categorised into the following: computer equipment, plant and machinery and fixtures and fittings. Due to the likely smaller balances and larger quantity of these assets it is probably not necessary to retrospectively identify these items and capitalise them, instead these items could be capitalised going forward. Depreciation should be applied to these items on the fixed asset register. A threshold could be considered and agreed by the Authority to decide a minimum level for an item to be capitalised, for example a minimum cost of £250.	Alison has provided a copy of the IT replacement strategy document which the authority maintains on excel, to keep track on when new IT assets are due to be replaced. Ella from Rushton's has also started to include new computer equipment purchased as fixed assets on Xero, these items have been depreciated and will continue to be, along with any future additions.

2) Point noted – Depreciation on fixed assets has been included as part of the actual expenditure per Rushton’s financial reports at the Quarterly and Annual meetings. Implications – Including depreciation, despite being a correct accounting adjustment, has resulted in a ‘deficit’. This gives the impression of a cash deficit, whereas the authority is still in a surplus position This could be misleading to the members of the authority as well as potentially to the councils if they review the reports. Recommendation – Consider including a separate distinguishable line separate to expenditure for accounting adjustments, most notably depreciation. This should be below the ‘total surplus/deficit’, in order to clearly display the position before any none cash accounting adjustments. This will allow for greater understandability of the surplus/deficit position for the year for any user, whilst still showing the correct accounting position. 3) Point noted – The VAT debtor has been included as a negative creditor per the financial reports. Implications – Not disclosing the VAT debtor in current assets will potentially reduce the understandability of the financial reports to the users of them. Recommendation- Consider moving the VAT debtor from creditors into current assets.	This how now been corrected on the financial reports. Depreciation has been added back as a non-cash expense to be included in the net surplus. This how now been corrected on the financial reports. The VAT debtor has been included in current assets.
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Points noted during the course of our internal audit for the year ended 31 March 2026:

During the course of our internal audit for the year ended 31 March 2026 no matters arose which we consider should be brought to your attention.