

Section 3 – External auditor report and certificate

In respect of:

Enter name of
smaller authority here:

EDITH WESTON PARISH COUNCIL

1. Respective responsibilities of the body and the auditor

This smaller authority is responsible for ensuring that its financial management is adequate and effective and that it has a sound system of internal control. The smaller authority prepares an annual return in accordance with proper practices which:

- summarises the accounting records for the year ended 31 March 2017; and
- confirms and provides assurance on those matters that are relevant to our duties and responsibilities as external auditors.

Our responsibility is to review the annual return in accordance with guidance issued by the National Audit Office (NAO) on behalf of the Comptroller and Auditor General (see note below). Our work does not constitute an audit carried out in accordance with International Standards on Auditing (UK & Ireland) and does not provide the same level of assurance that such an audit would do.

2. 2016/17 External auditor report

(Except for the matters reported below)* on the basis of our review of the annual return, in our opinion the information in the annual return is in accordance with proper practices and no other matters have come to our attention giving cause for concern that relevant legislative and regulatory requirements have not been met. (*delete as appropriate).

See attached

(continue on a separate sheet if required)

Other matters not affecting our opinion which we draw to the attention of the smaller authority:

See attached

(continue on a separate sheet if required)

3. 2016/17 External auditor certificate

We certify/~~do not certify~~* that we have completed our review of the annual return, and discharged our responsibilities under the Local Audit and Accountability Act 2014, for the year ended 31 March 2017.

* We do not certify completion because:

External auditor signature

Grant Thornton UK LLP

External auditor name

Grant Thornton UK LLP

Date

21 August 2017

Note: The NAO issued guidance applicable to external auditors' work on 2016/17 accounts in Auditor Guidance Note AGN/02. The AGN is available from the NAO website (www.nao.org.uk)

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Other matters not affecting our opinion which we wish to draw to the attention of the authority continued

Section 2, Accounting statements, Box 10 – Total borrowings

The figures on Section 2, Accounting statements – Box 10 (Total borrowings) have been left unanswered for 2015/16 and 2016/17 on the Annual Return. The Authority has confirmed it has no borrowing, therefore both boxes should read 'Nil'.

In future the Authority should ensure the Annual Return is complete (i.e. no empty highlighted boxes).

Section 2, Accounting statements

We identified several inconsistencies with the figures supplied in Section 2, Accounting statements.

- i) Box 3 (Total other receipts) should not contain any of the Annual Precept. This year, £36 of the Annual Precept has been included in Box 3 as opposed to Box 2 (Precept or Rates and Levies).
- ii) A £547 overpayment which was later reimbursed to the Authority has been omitted from the Accounting statements and therefore both Box 3 (Total other receipts) and Box 6 (All other payments) have been understated by this amount.

The correct figures are:

Box 2 (Precept or Rates and Levies) – £8,876 (= 8,840 + 36)

Box 3 (Total other receipts) – £2,862 (= 2,351 – 36 + 547)

Box 6 (All other payments) – £8,679 (= 8,132 + 547)

The Authority should restate the 2017 figures on next year's Annual Return and write "Restated" beneath the £ sign on the 2017 column.

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Matters reported

Independence of Internal Auditor

The Internal Audit function must be sufficiently independent from the management of financial controls and procedures of the Authority which are the subject of review. Independence means that whoever carries out the internal audit role is not involved in the financial decision making, management or control of the Authority, or with the Authority's financial controls and procedures. It is not appropriate for any individual or firm appointed by the Authority to assist with the Authority's accounting records, preparation of financial statements or the Annual Return, to be also appointed as the Internal Auditor.

Further guidance on assessing the independence of Internal Audit is included within paragraphs 4.10 and 4.11 of 'Governance and Accountability for Smaller Authorities in England, A Practitioners' Guide to proper practices in the preparation of statutory annual accounts and governance statements, March 2017.

The Internal Auditor was involved in preparing the figures for the Annual Return. This could affect his independence. The Internal Auditor must not be requested to undertake tasks that may compromise his independence, such as completing Section 2 of the Annual Return.

The Authority must appoint an individual who is competent and independent of the financial controls to undertake the internal audit in future. In our view, the response to assertion 6 on Section 1 of the Annual Return should have been "No".

Other matters not affecting our opinion which we wish to draw to the attention of the authority

Section 2, Accounting statements, Box 8 – Cash and short term investments

The figures on Section 2, Accounting statements – Box 8 (Total value of cash and short term investments) have been incorrectly stated as 'Nil' for 2015/16 and 2016/17 on the Annual Return. The Authority has confirmed that they should state £10,968 and £12,362 respectively.

The Authority should restate the 2017 figures on next year's Annual Return and write "Restated" beneath the £ sign on the 2017 column.



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Other matters not affecting our opinion which we wish to draw to the attention of the authority continued

Annual internal audit report, Objective F – Petty cash

The Internal Auditor has answered 'Yes' to Objective F in relation to petty cash. This should state 'Not covered' as the Authority does not operate a petty cash system.

The Authority should ensure that the internal auditor's report is reviewed before sending the Annual Return to the external auditors. The Authority should minute this process. If there are any errors in the internal auditors report it should either be amended by the Internal Auditor or the Authority should provide an explanation for the error.

Grant Thornton UK LLP

Grant Thornton UK LLP

Date *21 August 2017*

Our ref LCS082