

NAME OF SMALLER AUTHORITY: _____

NOTICE OF CONCLUSION OF AUDIT

ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2017

**The Accounts and Audit Regulations 2015 (SI 2015 No.234)
The Local Audit and Accountability Act 2014**

NOTICE	NOTES
<p>1. Date of announcement <u>6 Nov 2017</u> (a)</p> <p>2. Notice of conclusion of audit and publication of accounts. The audit of the authority's accounts for the above year has been concluded on: <u>28 September 2017</u> (date) by grant Thornton UK LLP. The Annual governance statement, Accounting statements and the External auditor certificate and report (the Annual Return), have been published (b)(c). Copies of documents are available for purchase by any person on payment of a reasonable sum. Documents will remain available for public access for a period of not less than 5 years from the date of this notice (d).</p> <p>3. Section 25 of the Local Audit and Accountability Act 2014 provides for the exercise of public rights to inspect the statement of accounts:</p> <ul style="list-style-type: none"> • Local Government Electors and their representatives have rights to make copies of: <ul style="list-style-type: none"> • the accounting statements, • the external auditor's opinion and certificate of completion (e), • any public interest report relating to the authority, and • any recommendation relating to the authority. <p>For the year ended 31 March 2017 these documents will be available on reasonable notice on application to the person in paragraph 4 below.</p> <p>4. Person to which you can apply to inspect the accounts and availability (f)</p> <p>Name: <u>Kim Squires</u></p> <p>Position: <u>Clerk and Responsible Financial Officer</u></p> <p>Address: <u>52 Handasack Court</u> <u>Pugetay</u></p> <p>Tel no: <u>07906 450 054</u></p> <p>Email: <u>clerk@shobnallpc.co.uk</u></p> <p>Days and times of availability: <u>Thursday 2.00 - 4.00 pm</u></p> <p>5. Signature and name of person giving Notice on behalf of the authority <u>KSquires</u> Clerk and/or Responsible Financial Officer</p>	<p>(a) Insert date of placing of this Notice</p> <p>(b) Parish Councils should publish information on a website.</p> <p>(c) Parish meetings should display information in a conspicuous place in the area of the authority for at least 14 days.</p> <p>(d) See note 25.2 of the Local Audit and Accountability Act 2014 for further information.</p> <p>(e) Section 3 of Annual Return provides the external auditors certificate and report including any subsequent pages attached.</p> <p>(f) Insert name, position, address and contact details such as telephone and email of the Clerk or other person to which any person may apply to inspect the above documents, and the details of the manner in which notice should be given of an intention to inspect the accounting records and other documents.</p>
<p>For more detailed guidance on electors' rights and the special powers of auditors, copies of the publication Council Accounts – A Guide to Your Rights are available from the National Audit Office website https://www.nao.org.uk/code-audit-practice/wp-content/uploads/sites/29/2015/03/Council-accounts-a-guide-to-your-rights.pdf</p>	

Section 3 – External auditor report and certificate

In respect of:

Enter name of
smaller authority here:

SHOBWALL 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 28/9/17

Note: The NAO issued guidance applicable to external auditors' work on 2016/17 accounts in Auditor Guidance Note AGN02. The AGN is available from the NAO website (www.nao.org.uk)

Section 1 – Annual governance statement 2016/17

We acknowledge as the members of:

Enter name of
smaller authority here:

SHOBWALL PARISH COUNCIL

our responsibility for ensuring that there is a sound system of internal control, including the preparation of the accounting statements. We confirm, to the best of our knowledge and belief, with respect to the accounting statements for the year ended 31 March 2017, that:

	Agreed		'Yes' means that this smaller authority:	
	Yes	No		
1. We have put in place arrangements for effective financial management during the year, and for the preparation of the accounting statements.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	prepared its accounting statements in accordance with the Accounts and Audit Regulations.	
2. We maintained an adequate system of internal control, including measures designed to prevent and detect fraud and corruption and reviewed its effectiveness.	<input type="checkbox"/>	<input checked="" type="checkbox"/>	made proper arrangements and accepted responsibility for safeguarding the public money and resources in its charge.	
3. We took all reasonable steps to assure ourselves that there are no matters of actual or potential non-compliance with laws, regulations and proper practices that could have a significant financial effect on the ability of this smaller authority to conduct its business or on its finances.	<input type="checkbox"/>	<input checked="" type="checkbox"/>	has only done what it has the legal power to do and has complied with proper practices in doing so.	
4. We provided proper opportunity during the year for the exercise of electors' rights in accordance with the requirements of the Accounts and Audit Regulations.	<input type="checkbox"/>	<input checked="" type="checkbox"/>	during the year gave all persons interested the opportunity to inspect and ask questions about this authority's accounts.	
5. We carried out an assessment of the risks facing this smaller authority and took appropriate steps to manage those risks, including the introduction of internal controls and/or external insurance cover where required.	<input type="checkbox"/>	<input checked="" type="checkbox"/>	considered the financial and other risks it faces and has dealt with them properly.	
6. We maintained throughout the year an adequate and effective system of internal audit of the accounting records and control systems.	<input type="checkbox"/>	<input checked="" type="checkbox"/>	arranged for a competent person, independent of the financial controls and procedures, to give an objective view on whether internal controls meet the needs of this smaller authority.	
7. We took appropriate action on all matters raised in reports from internal and external audit.	<input type="checkbox"/>	<input checked="" type="checkbox"/>	responded to matters brought to its attention by internal and external audit.	
8. We considered whether any litigation, liabilities or commitments, events or transactions, occurring either during or after the year-end, have a financial impact on this smaller authority and, where appropriate have included them in the accounting statements.	<input type="checkbox"/>	<input checked="" type="checkbox"/>	disclosed everything it should have about its business activity during the year including events taking place after the year-end if relevant.	
9. (For local councils only) Trust funds including charitable. In our capacity as the sole managing trustee we discharged our accountability responsibilities for the fund(s)/assets, including financial reporting and, if required, independent examination or audit.	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/> NA	has met all of its responsibilities where it is a sole managing trustee of a local trust or trusts.

This annual governance statement is approved by this smaller authority on:

14.08.2017

Signed by Chair at meeting where approval is given:

M.H. Hoate

and recorded as minute reference:

2017/18/88+89

Clerk:

P. Dennis

*Note: Please provide explanations to the external auditor on a separate sheet for each 'No' response. Describe how this smaller authority will address the weaknesses identified.

Section 2 – Accounting statements 2016/17 for

Enter name of
smaller authority here:

SHOBNAH PARISH COUNCIL

	Year ending		Notes and guidance				
	31 March 2016 £	31 March 2017 £					
1. Balances brought forward	51065	33704	Please round all figures to nearest £1. Do not leave any boxes blank and report £0 or Nil balances. All figures must agree to underlying financial records.				
2. (+) Precept or Rates and Levies	18654	19354	Total balances and reserves at the beginning of the year as recorded in the financial records. Value must agree to Box 7 of previous year.				
3. (+) Total other receipts	14657	16737	Total amount of precept (or for IOBs, rates and levies) received or receivable in the year. Exclude any grants received.				
4. (-) Staff costs	6979	5601	Total income or receipts as recorded in the cashbook less the precept or rates/levies received (line 2). Include any grants received.				
5. (-) Loan interest/capital repayments	3306	0	Total expenditure or payments made to and on behalf of all employees. Include salaries and wages, PAYE and NI (employees and employers), pension contributions and employment expenses.				
6. (-) All other payments	33706	19543	Total expenditure or payments of capital and interest made during the year on the smaller authority's borrowings (if any).				
7. (=) Balances carried forward	43665	44653	Total expenditure or payments as recorded in the cashbook less staff costs (line 4) and loan interest/capital repayments (line 5).				
8. Total value of cash and short term investments	32476	44653	Total balances and reserves at the end of the year. Must equal (1+2+3) - (4+5+6)				
9. Total fixed assets plus long term investments and assets	0	132545	The sum of all current and deposit bank accounts, cash holdings and short term investments held as at 31 March - To agree with bank reconciliation.				
10. Total borrowings	0	0	This cell shows the value of all the property the authority owns. It is made up of its fixed assets and long-term investments.				
11. (For Local Councils Only) Disclosure note re Trust funds (including charitable)	<table border="1"> <tr> <td>Yes</td> <td>No</td> </tr> <tr> <td></td> <td>/</td> </tr> </table>		Yes	No		/	The Council acts as sole trustee for and is responsible for managing Trust funds or assets. N.B. The figures in the accounting statements above do not include any Trust transactions.
Yes	No						
	/						

I certify that for the year ended 31 March 2017 the accounting statements in this annual return present fairly the financial position of this smaller authority and its income and expenditure, or properly present receipts and payments, as the case may be.

Signed by Responsible Financial Officer:

P Dennis

Date 14.08.2017

I confirm that these accounting statements were approved by this smaller authority on:

14.08.2017

and recorded as minute reference.

2017-18/190

Signed by Chair at meeting where approval is given:

M Hodge

Annual internal audit report 2016/17 to

Enter name of smaller authority here:

SHOBNAAL PARISH COUNCIL

This smaller authority's internal audit, acting independently and on the basis of an assessment of risk, carried out a selective assessment of compliance with relevant procedures and controls expected to be in operation during the financial year ended 31 March 2017.

Internal audit has been carried out in accordance with this smaller authority's needs and planned coverage. On the basis of the findings in the areas examined, the internal audit conclusions are summarised in this table. Set out below are the objectives of internal control and alongside are the internal audit conclusions on whether, in all significant respects, the control objectives were being achieved throughout the financial year to a standard adequate to meet the needs of this smaller authority.

Internal control objective	Agreed? Please choose only one of the following		
	Yes	No*	Not covered**
A. Appropriate accounting records have been kept properly throughout the year.		✓	
B. This smaller authority met its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.		✓	
C. This smaller authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.		✓	
D. The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.	✓		
E. Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.		✓	
F. Petty cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for.			NO PETTY CASH KEPT
G. Salaries to employees and allowances to members were paid in accordance with this smaller authority's approvals, and PAYE and NI requirements were properly applied.		✓	
H. Asset and investments registers were complete and accurate and properly maintained.		✓	
I. Periodic and year-end bank account reconciliations were properly carried out.		✓	
J. Accounting statements prepared during the year were prepared on the correct accounting basis (receipts and payments or income and expenditure), agreed to the cash book, supported by an adequate audit trail from underlying records and where appropriate debtors and creditors were properly recorded.	✓		
K. (For local councils only) Trust funds (including charitable) – The council met its responsibilities as a trustee.			✓

For any other risk areas identified by this smaller authority adequate controls existed (list any other risk areas below or on separate sheets if needed)

THE ATTACHED 3 PAGES ARE AN INTEGRAL PART OF THIS REPORT

Name of person who carried out the internal audit ALAN TOPLIS-TOPLIS ASSOCIATES LTD

Signature of person who carried out the internal audit *Alan Toplis* Date 03/08/2017

*If the response is 'no' please state the implications and action being taken to address any weakness in control identified (add separate sheets if needed).

**Note: If the response is 'not covered' please state when the most recent internal audit work was done in this area and when it is next planned, or, if coverage is not required, internal audit must explain why not (add separate sheets if needed).

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Shobnall Parish Council
External Auditor Report for the year ended 31 March 2017**

Matters reported

Section 1 Annual Governance Statement – Assertion 1

The Authority have answered 'Yes' to Assertion 1. In our view this should have been answered 'No'. This Assertion states that 'We have in place arrangements for effective financial management during the year, and for the preparation of the accounting statements.'

The Authority should have answered 'No' as:

- The internal auditor has ticked 'No' to objective A indicating that they do not consider that 'Appropriate accounting records have been kept properly throughout the year.' This was due to the lack of appropriate records to support the Annual Return being prepared on an income and expenditure basis, which had been the previous method of accounting. The Authority have therefore changed to a receipts and payments basis of accounting for 2016/17, however they have been unable to restate the 2015/16 figures on the same accounting basis and therefore Box 1 for 2016/17 does not agree to Box 7 for 2015/16.
- The internal auditor has ticked 'No' to objective B indicating that they do not believe that 'This smaller authority met its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.' This was due to the Authority not complying with its own Financial Regulations.

In order to tick 'Yes' the Authority should have prepared its accounting statements in accordance with the Accounts and Audit Regulations. Guidance on successfully complying with Assertion 1 is available in the NALC/SLCC publication 'Governance and Accountability for Smaller Authorities in England – A Practitioners Guide to Proper Practice (March 2017) sections 1.8 to 1.13 and 5.7 to 5.30.

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

Section 1 Annual Governance Statement – Assertion 2

The Authority have answered 'No' to Assertion 2. This Assertion states that 'We maintained an adequate system of internal control, including measures to prevent and detect fraud and corruption and reviewed its effectiveness.'

The Authority has stated that 'No' was answered because an 'emphasis was placed on ensuring the bank statement was reconciled to cheques raised.' The Authority's plan of action to address this weakness is to ensure 'a broader base to be part of the monthly financial controls to ensure more financial information is recorded and documented for presentation and signing off at meetings.'

We agree with the decision to answer 'No' because:

- The internal auditor has ticked 'No' to objective E indicating that they do not believe 'The expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.' This was ticked 'No' because the Internal Auditor could find no evidence to support the VAT accrued in the Authority's accounts.
- The internal auditor has ticked 'No' to objective G indicating that they do not believe that 'The salaries to employees and allowances were paid in accordance with the smaller authority's approvals, and PAYE, and NI requirements were properly applied.' This was based on the fact that the Internal Auditor identified that the Authority had previously not officially enrolled all staff with HMRC because they were not liable for income tax. This is against HMRC regulations and has been since 2011. Additionally, the Authority have allowed previous employees to claim expenses to share existing facilities (eg home internet access) that is against Sections 336 to 338 of ITEPA 2003 (expenses for the clerk).
- The internal auditor has ticked 'No' to objective H indicating that they do not believe 'Asset and investment registers were complete and accurate and properly maintained.' This was based on the fact that the internal auditor could not be assured that all the Authority's property has been accounted for. The Authority appear to have held significant fixed assets for a number of years but have not accounted for them.
- The internal auditor has ticked 'No' to objective I indicating that they do not consider that 'Periodic and year-end bank account reconciliations were properly carried out.' This was as a result of there being no evidence that the Authority have carried out any bank reconciliations during the financial year and the poor accounting records meant that an end of year bank reconciliation was not possible.

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

Section 1 Annual Governance Statement – Assertion 2 continued

In order to tick 'Yes' the Authority should have made proper arrangements and accepted responsibility for safeguarding public money and resources in its charge. Guidance on successfully complying with Assertion 2 is available in the NALC/SLCC publication 'Governance and Accountability for Smaller Authorities in England – A Practitioners Guide to Proper Practice (March 2017) sections 1.14 to 1.20 and 5.31 to 5.65.

Section 1 Annual Governance Statement – Assertion 3

The Authority have answered 'No' to Assertion 3. This Assertion states that 'We took all reasonable steps to assure ourselves that there are no matters of actual or non-compliance with laws, regulations and proper practices that could have a significant effect on the ability of this smaller authority to conduct its business or on its finances.'

The Authority has stated that 'No' was answered because the Authority was only using a draft risk assessment, financial regulations and code of conduct. The Authority's plan of action to address this weakness is to ensure that a yearly review is now in place and this review will be documented.

We agree with the decision to answer 'No' because:

- The Internal Auditor has confirmed in response to Objective B that the Authority have not conformed to its own financial regulations. In particular, it failed to authorise and sign schedule of payments and for cheque stubs to be endorsed by signatories.

In order to tick 'Yes' the Authority should only do what it has the legal power to do and should comply with proper practices when doing so. Guidance on successfully complying with Assertion 3 is available in the NALC/SLCC publication 'Governance and Accountability for Smaller Authorities in England – A Practitioners Guide to Proper Practice (March 2017) sections 1.22 to 1.26 and 5.66 to 5.74.

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External Auditor Report for the year ended 31 March 2017

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

Section 1 Annual Governance Statement – Assertion 4

The Authority has answered 'No' to Assertion 4. This Assertion states that 'We provided proper opportunity during the year for the exercise of electors' rights in accordance with the requirements of the Accounts and Audit Regulations.'

The Authority have stated that 'No' was answered because they 'did not present sufficient paperwork for interested persons to view in a public space or on our web page.' The Authority's plan of action to address this weakness 'to ensure the correct paperwork is presented in a public space and documented for future occasions.'

We agree with the decision to answer 'No' because:

- The Internal Auditor has reported that the Notice of Commencement of Audit was displayed without the relevant sections of the Audit and Accountability Act 2014 which renders the notice void.
- The Internal Auditor has confirmed that there is no evidence that the Annual Return and our comments were displayed alongside the Notice of Conclusion of Audit.

In order to tick 'Yes' the Authority should ensure that during the year it gives all persons interested the opportunity to inspect and ask questions about the authority's accounts. Guidance on successfully complying with Assertion 4 is available in the NALC/SLCC publication 'Governance and Accountability for Smaller Authorities in England – A Practitioners Guide to Proper Practice (March 2017) sections 1.27 to 1.30 and 5.75 to 5.86.

Section 1 Annual Governance Statement – Assertion 5

The Authority have answered 'No' to Assertion 5. This Assertion states that 'We carried out an assessment of the risks facing this smaller authority and took appropriate steps to manage those risks, including the introduction of internal controls and/or external insurance cover where required.'

The Authority has stated that 'No' was answered because a comprehensive enough risk assessment was only drafted by the Authority. The Authority's plan of action to address this weakness is to put in place a more comprehensive risk assessment to ensure measures are considered for all areas, not just public spaces.

We agree with the decision to answer 'No' because:

- The Internal Auditor has ticked 'No' to objective C because though a draft risk assessment was available, there is no evidence that the Authority had considered or ratified the matter.

In order to tick 'Yes' the Authority should ensure that it considers the financial and other risks it faces and has dealt with them properly. Guidance on successfully complying with Assertion 5 is available in the NALC/SLCC publication 'Governance and Accountability for

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

Section 1 Annual Governance Statement – Assertion 5 continued

Smaller Authorities in England – A Practitioners Guide to Proper Practice (March 2017) sections 1.31 to 1.33 and 5.87 to 5.100.

Section 1 Annual Governance Statement – Assertion 6

The Authority have answered 'No' to Assertion 6. This Assertion states that 'We maintained throughout the year an adequate and effective system of internal audit of the accounting records and control systems.'

The Authority has stated that 'No' was answered because the Internal Audit has not been continuous during the 2016/17 financial year. The Authority's plan of action to address this weakness is that they have now approved the current internal auditor for the 2017/18 financial year. The Authority will also put in place a more robust monthly financial recording system.

We agree with the decision to answer 'No' because:

- The Authority have not had regular checks of their accounting systems throughout the financial year. This has led that to poor financial administration and great issue in completing the accounting statements for the 2016/17 financial year.

In order to tick 'Yes' the Authority should ensure they have arranged for a competent person, independent of the financial controls and procedures, to give an objective view on whether internal controls meet the needs of this smaller authority. Guidance on successfully complying with Assertion 6 is available in the NALC/SLCC publication 'Governance and Accountability for Smaller Authorities in England – A Practitioners Guide to Proper Practice (March 2017) sections 1.34 to 1.36, 4.1 to 4.26 and 5.101 to 5.104.

Section 1 Annual Governance Statement – Assertion 7

The Authority have answered 'No' to Assertion 7. This Assertion states that 'We took an appropriate action on all matters raised in reports from internal and external audit.'

The Authority has stated that 'No' was answered because the Authority was not made aware of auditor's feedback. The Authority's plan of action to address this weakness is to update agendas to ensure feedback is shared and actions and recommendations are acted upon.

We agree with the decision to answer 'No' because:

- The Authority should have in place internal controls to ensure that all internal and external audit reports are presented at a full meeting and procedures are in place to regularly monitor the effectiveness of any plans of action throughout the year. As the Authority was not aware of any audit report, it is clear that this has not been done.

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

Section 1 Annual Governance Statement – Assertion 7 continued

In order to tick 'Yes' the Authority should ensure that they have responded to matters brought to its attention by internal and external audit. Guidance on successfully complying with Assertion 7 is available in the NALC/SLCC publication 'Governance and Accountability for Smaller Authorities in England – A Practitioners Guide to Proper Practice (March 2017) sections 1.37 to 1.38 and 5.105 to 5.108.

Section 1 Annual Governance Statement – Assertion 8

The Authority have answered 'No' to Assertion 8. This Assertion states that 'We considered whether any litigation, liabilities or commitments, events or transactions, occurring either during or after the year-end, have a financial impact on this smaller authority and, where appropriate have included them in the accounting statements.'

The Authority has stated that 'No' was answered because documentation and processes were not minuted or displayed for public viewing. The Authority's plan of action to address this weakness is that they will ensure year end stages and processes are to be documented in future minutes and put on public display.

We agree with the decision to answer 'No' because:

- Due to the poor financial administration there is no information regarding how the Authority factored in for any significant events if there were any.

In order to tick 'Yes' the Authority should ensure that they have disclosed everything it should about its business activity during the year including events taking place after the year-end if relevant. Guidance on successfully complying with Assertion 8 is available in the NALC/SLCC publication 'Governance and Accountability for Smaller Authorities in England – A Practitioners Guide to Proper Practice (March 2017) sections 1.39 to 1.40 and 5.109 to 5.111.

Section 2 Accounting Statement – Fixed Assets

Local councils and smaller authorities are required to maintain a register of all property, plant and equipment that it holds and update this for purchases and disposals. An Authority can use any reasonable method for valuing assets on acquisition but this should be applied consistently year on year and the value remain unchanged until the asset is disposed of. The method of asset valuation adopted should be set out in a policy approved by the Authority and recorded in the asset register. The commercial concepts of depreciation and revaluation are not appropriate for local councils and smaller authorities.

The internal auditor has confirmed that the Authority have not previously included the figure of their fixed assets register in the Annual Return.

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External Auditor Report for the year ended 31 March 2017

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

Section 2 Accounting Statement – Fixed Assets continued

Guidance on accounting for fixed assets is available in the NALC/SLCC publication 'Governance and Accountability for Smaller Authorities in England – A Practitioners Guide to Proper Practice (March 2017) sections 2.24 to 2.27 and 5.54 to 5.61.

Exercise of public rights

The Authority must provide for the exercise of public rights as set out in Sections 26 and 27 of the Local Audit and Accountability Act 2014 and the Accounts and Audit Regulations 2015. The Regulations require the Authority to approve and publish the Annual Governance Statement and the Accounting Statement alongside a Notice of commencement and a Declaration of status of accounts to allow it to commence the period for the exercise of public rights so that it includes the first ten working days of July.

The Authority has commenced its period for the exercise of public rights on 16 August 2017 and ended them on 27 September 2017. This does not include the first ten working days of July. The Authority is therefore unable to demonstrate that it made proper provision for the exercise of public rights in 2016/2017. This represents a significant governance weakness.

In future, the Authority must ensure that the Annual Return is approved and published to allow for the proper provision for the exercise of public rights in accordance with the Regulations and proper practices. The Authority should also consider the impact of this on the assertions in the 2017/18 Annual Governance Statement.

Grant Thornton UK LLP

Grant Thornton UK LLP

Date 28/9/17

Our ref STF155