

**This page is part of Section 3 - External auditor certificate and opinion 2015/16**

**Cheverell Magna Parish Council  
External Audit Report for the year ended 31 March 2016**

Section 3 of the Annual Return provides the External Auditor Report and Certificate. We have indicated on this section that we 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 2016. We have provided our external Auditor Report below on the information that has come to our attention so far. We will update our External Auditor Report for any further issues when we give our certificate of closure and issue the full External Auditor certificate and opinion for 2015/16.

We are unable to certify completion until we have been provided with further information.

**Matters Reported**

**Section 1 Annual Governance Statement**

Cheverell Magna Parish Council ticked 'Yes' to assertions 1 to 8 of the Annual governance statement 2015/16. The Council have since identified weaknesses in their internal controls and it is our opinion that the Council should have ticked 'No' to the following assertions:

- 1. We have put in place arrangements for the effective financial management during the year, and for the preparation of the accounting statements.*
- 2. We maintained an adequate system of internal controls including measures designed to prevent and detect fraud and corruption and reviewed its effectiveness.*
- 3. We took all reasonable steps to assure ourselves that there are no matters of actual or potential non-compliance with the 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.*
- 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.*
- 6. We maintained throughout the year an adequate and effective system of internal audit of the accounting records and control systems.*

It is noted that the Council has taken actions to improve their internal controls.

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**Cheverell Magna Parish Council  
External Audit Report for the year ended 31 March 2016  
Matters Reported continued**

**Internal Audit**

The annual internal audit report for 2015/16 Annual Return, had been ticked and signed off on 4 April 2016. The Council used this favourable report as a basis for their responses to assertions 1 to 8 of section 1 the Annual Governance Statement. The minutes of the meeting on 4 April 2016 item 74/16 noted that the internal audit had already taken place and all figures had been agreed. Our enquiries confirmed that the Council had not been provided with any internal audit report findings or internal audit engagement letter. The reason provided for not having any report or engagement letter was that the internal auditor had stepped in quickly to help out when the original internal auditor was unable to assist. The minute item number 51/15 of a meeting on 2 March 2015 was provided as evidence of the change in internal audit. It is however noted that the same internal auditor had ticked and signed the annual returns for the 2013/14 audit. The Council must ensure that they obtain a signed engagement letter from their internal auditor and review all findings of any internal audit report before completing the assertions 1 to 8 of Section 1 of the Annual Return.

**Other matters not affecting our opinion which we wish to draw to the attention of Cheverell Magna Parish Council for the year ended 31 March 2016**

**Section 2, Accounting statements  
2015**

Box 6 for 2015 on Section 2, all other payments, is incorrectly stated as £13,356. This should instead read £10,419. The Council has incorrectly used the 2013/14 figure in the 2014/15 column.

The Council should restate the 2015 figures .

**Section 2 Accounting Statements**

The review of the cash book to the bank statements for 2016 concluded the following issues in the figures listed on section 2 for 2016:

- Box 2 includes the Council Tax Support Grant of £268 that should be included in Box 3. Box 2 should state £8,522 and Box 3 should state £2,993.
- Box 6 should total £18,286.

The Council should restate the 2016 figures on next year's Annual Return and write "restated" beneath the £ sign on the 2016 column.

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**Cheverell Magna Parish Council**

**External Audit Report for the year ended 31 March 2016**

**Other matters not affecting our opinion which we wish to draw to the attention of Internal Audit for the year ended 31 March 2016 continued**

**Period for the exercise of public rights**

The Local Audit and Accountability Act 2014 (the Act), sections 26 and 27, and the Accounts and Audit Regulations 2015 (the Regulations), sections 14 and 15, set out the requirements for the period for the exercise of public rights of objection, inspection and questioning of the external auditor. In particular section 14(1) of the Regulations stipulates that any rights of objection, inspection and questioning of the external auditor conferred by sections 26 and 27 of the Act may only be exercised within a single period of 30 working days.

The Council published its Notice indicating the period for the exercise of public rights commenced on 3 June 2016 and ended on 15 July 2016. This is more than the 30 working days as required by the Regulations. For any days over those 30 working days, a member of the public would have no formal rights in respect of objection, inspection and questioning of the external auditor. As the external auditor to Cheverell Magna Parish Council, this year we have withheld our certification of the Annual Return until the end of the period published by the Council in its Notice to ensure that public rights are not perceived to be denied due to an incorrect Notice.

In the future, the Council must ensure that it complies with the Local Audit and Accountability Act 2014, sections 26 and 27, and the Accounts and Audit Regulations 2015, sections 14 and 15 to ensure that the dates for the exercise of public rights are properly calculated and published and cover a single period of 30 working days. The Council should also consider the impact of this failure on its disclosures in the 2016/17 Annual Return.

*Grant Thornton UK LLP*

**Grant Thornton UK LLP**

**Date** *31/3/17.*

**Our ref** WLT053