

**This page is part of Section 3 - External auditor certificate and opinion 2016/17
Edwinstowe Parish Council
External Auditor Report for the year ended 31 March 2017**

Matters reported

Approval and Publication of Accounts

The Accounts and Audit Regulations 2015, sections 6, 12 and 13 set out the requirements for approval and publishing of the Annual Governance Statement and the Accounting Statements. The Local Audit and Accountability Act 2014, sections 26 and 27, and 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.

Edwinstowe Parish Council approved its Annual Governance Statement and Accounting Statements on 9th May 2017, published them on its website and commenced the period for the exercise of public rights on 5th June 2017.

An internal audit review was completed on 1 June 2017 and changes were made to the figures in the Accounting Statements, Section 2, of the Annual Return, Boxes 3, 4 and 6. The amended Annual Return was then submitted to the external auditor for review without being reapproved by the Authority. The amended version was not posted on the Authority's website and new arrangements for the exercise of electors' rights were not put in place. This represents a significant governance weakness which the Authority should consider the impact of on the assertions in the 2017/18 Annual Governance Statement.

These circumstances mean that proper practices have not been followed to ensure compliance with the Local Audit and Accountability Act 2014 and Accounts and Audit Regulations 2015.

As a result, in our view the response to Assertion 1 and Assertion 3 on the Annual Governance Statement should be 'No'. In future, the Authority should ensure that the Accounting Statements in Section 2 of the Annual Return are prepared and approved in accordance with the Regulations and proper practices.

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Matters reported continued

Independence and coverage of the Internal Audit

We reported in last year's External Audit Certificate and Report that the Authority had failed to carry out an internal audit that year and they must appoint an individual who is competent and independent of the financial controls to undertake the internal audit in future.

On this year's Annual Governance Statement, Section 1, the Authority responded 'Yes' to Assertion 6, confirming that the Authority has maintained, throughout the year, an adequate and effective system of internal audit of the Authority's accounting records and control systems. However, the Internal Audit report was not completed until 1 June 2017 and since there was no internal audit report last year, the Authority is unable to demonstrate that there has been a system of independent, internal audit in place throughout the year.

In our view, the correct response to Assertion 6 on the Annual Governance Statement should be 'No' as the Authority has not maintained an independent internal audit during the year.

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

None

Additional work

During the course of our review, we had to perform additional work to establish that the Authority had not provided us with an Annual return that had been authorised by Members. We will invoice additional fees of £75 towards the costs we incurred in obtaining the information we required to complete our audit.

Grant Thornton UK LLP

Grant Thornton UK LLP

Date 19 September 2017

Our ref NOT062