

## 2.2016/17 External auditor's 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.

A. The Council has not approved and published the annual return and started the period of public rights in accordance with the Accounts and Audit (England) Regulations 2015. The regulations require these processes to have been completed by the first working day of July. For 2016/17 this was not done until July 19. For 2017/18 the Council needs to put arrangements in place to ensure that it can discharge its responsibilities in line with the statutory timetable.

B. The Internal Auditor report suggests that the accounting statements during the year were not prepared on the correct accounting basis, agreed to the cash book and supported by an adequate audit trail. The Council has answered "yes" to the relevant assertion in Section 1 of the annual return. In 2017/18, the Council should put in place arrangements in order to meet its financial reporting responsibilities.

C. Boxes 2, 3 and 9 of the accounting statements at Section 2 of the annual return:

- The wrong amount of Council Tax Support Grant (CTSG) has been deducted from Box 2 in Section 2 of the annual return ('Precept') and added to Box 3 (other receipts) meaning Box 2 was understated and Box 3 overstated by £915; and

- Fixed assets at Box 9 have been depreciated inconsistently in the two years and include £1600 of consumables. The 2015/16 figure should have been restated to be based on the same policy as 2016/17 and consumables not included as fixed assets.

In future, the Council should ensure that the annual return is accurate and complete.

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

A. In undertaking the review of the 2016/2017 Annual Return it came to our attention that in 2017 the Council has not met the requirements of the 2015 Regulations to provide electors with a period of 30 working days, including the first 10 working days of July, to inspect the accounts. The Council should ensure that in 2017/2018 they comply with the Regulations and respond no to the relevant assertion in its Annual Governance Statement.

B. It came to our attention that there is an error on the breakdown of debtors and creditors that the Council has provided. The error is due to an amount that had been incorrectly put on the accounts package prior to 1st April 2016. In future, we ask the Council to ensure that the documentation supporting the annual return is accurate and complete.

C. The bank reconciliation was unclear and void cheques from the prior years had not been cancelled and still appeared on the bank reconciliation. In future, the Council should cancel and write back outdated cheques promptly and ensure that the bank reconciliation clearly shows how bank statement balances have been agreed to the cash book and Box 8 of the annual return.