



**This page is part of Section 3 - External auditor certificate and opinion 2016/17
Luston Group Parish Council
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

Internal Auditor's Report

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.

Accounting for fixed assets – gifted/community assets

Smaller Authorities are required to account for fixed assets at purchase cost. If this is not known a proxy cost should be substituted. If the Parish Council receives an asset as a gift/transfer of community asset at no cost it should be included in the asset register at £1. We have identified that the Parish Council holds assets that have not been given a value and are not therefore included in Box 9. The Parish Council should give the gifted/community assets at a nominal value of £1 in the asset register and include the value in Box 9. The Parish Council should restate the 2017 figure in the 2018 annual return and write 'restated' beneath the £ sign in the 2017 column.

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 2016) sections 2.24 to 2.28 and 5.137 to 5.141

Grant Thornton UK LLP

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