

This page is part of Section 3 - External auditor certificate and opinion 2016/17

Empingham Parish Council

External Auditor Report for the year ended 31 March 2017

Matters reported

Order of signing the Annual governance statement (Section 1) and the Accounting statements (Section 2)

The Parish Council considered, approved and signed the Annual Governance Statement (Section 1) on 07/06/2017 (minute ref 7.2), which is after the Accounting Statements (Section 2) that were signed on the same day (minute ref 7.1). The Accounts and Audit Regulations 2015 stipulate that the Annual Governance Statement must be considered, approved and signed before the Accounting statements at Section 2 by resolution of members of the authority meeting as a whole. This is explicit at sections 6(3) and 6(4) of the Regulations (Review of internal control system), where in particular, it states at 6(4)(a) that the Annual Governance Statement must be 'approved in advance of the relevant authority approving the statement of accounts ...' This is also reinforced in the 2016 Practitioners' Guide (at 1.43) which highlights mandatory 'proper practices' referred to in statute. In future, the Parish Council must comply with statute and proper practices and ensure that the Annual Governance Statement is considered, approved and signed before the Accounting statements. This may be done at the same meeting as long as it is in the right order and the minute references make this clear.

In our view, as the Parish Council has not complied with the Accounts and Audit Regulations 2015 and the Local Audit and Accountability Act 2014 and the correct response to Assertion 1 on Section 1 of the Annual Return in 2016/17 should be 'No'.

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 12 June 2017 and ended on 25 July 2017. 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.

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 2017/18 Annual Return.