

This page is part of Section 3 - External auditor certificate and opinion 2014/15

**Dilwyn Parish Council
Audit Report for the year ended 31 March 2015**

Matters reported

Action taken on Public Interest Report

We issued a Report in the Public Interest (PIR) to Dilwyn Parish Council on the 23 March 2015 in relation to Dilwyn Parish Council's governance procedures around the purchase and renovation of The Crown pub. The Council held a public meeting to consider our report on 13 April 2015.

Section 12 of the Audit Commission Act 1998 (ACA 1998) requires the Council to display a notice in a newspaper circulating the Parish Council's area at least 7 days prior to the public meeting that was required to consider our PIR. The notice is required to clearly advertise the time and place of the public meeting to be held, specifically detailing the nature of the meeting and the subject matter of the report or recommendations.

Section 12 of the ACA 1998 also requires the Council to publish a notice in a local newspaper circulating the local area following the public meeting. This notice must be approved by us as the Council's external auditors prior to publication, and must summarise the decisions made by the Council in relation to our recommendations.

Prior to the public meeting the Council distributed a flyer with the copies of the local council magazine, "The Dilwynner" stating the details of the meeting to be held. The Council contacted the local newspaper prior to the public meeting and there was an article about the PIR that included the time and place of the public meeting to be held. However no notice was published in a local newspaper as required.

The Council published an article in "The Dilwynner" following the public meeting on 13 April 2015. However no notice was sent to us for approval prior to publication in a local newspaper as required.

In our opinion the Council has not complied with the requirements of Section 12 of the Audit Commission Act 1998.

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Matters reported - continued

Independence of internal auditor

The appointed internal auditor for the internal audit of the 2014/15 accounts was the clerk for a three month period during the 2014/15 audit year.

The internal auditor was not independent of the council. In our view the response to assertion 6 on Section 2 of the Annual Return should have been "No".

The council has addressed this and has now appointed an individual who is independent of the Council to undertake the internal audit for the 2015/16 audit.

Other matters not affecting our opinion which we wish to draw to the attention of Dilwyn Parish Council for the year ended 31 March 2015

Box 10 - Total Borrowings

The figure in Box 10, total borrowings is overstated by £3,149. The correct figure should be £307,331. In future, the council should ensure that figures are correctly stated in Section 1.

The Council should restate the 2015 figures on next year's Annual Return and write "restated" beneath the £ sign on the 2015 column.

Section 1 – Accounting statements

Box 1 on Section 1, balances brought forward, is incorrectly stated as £37,914. This should instead read £36,755. The Council has incorrectly accounted for unrepresented cheques at 31 March 2014.

Box 4 is overstated and should read £4,616. Box 6 is understated and should read £16,573.

The council should restate the 2015 figures on next year's Annual Return and write "restated" beneath the £ sign on the 2015 column.

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**Other matters not affecting our opinion which we wish to draw to the attention
of Dilwyn Parish Council for the year ended 31 March 2015 - continued**

Retention of documentation

The Council has been unable to provide copies of the Completion of Audit Notice for the 2014 audit and the Notice of Advertisement of the date for the Exercise of Electors' Rights for the 2015 audit.

We have therefore been unable to determine if these notices were displayed as required. The Council should retain copies of all documentation that may be required for internal or external audit.

Financial Regulations

The Council has not updated its Financial Regulations during the year ended 31 March 2015. The Council reviewed and updated its Financial Regulations in July 2015 but it did not have regard to the latest model Financial Regulations available. The latest model Financial Regulations were issued in 2014 and have been updated in light of recent changes to legislation. They are available from the National Association of Local Councils. Financial Regulations should be periodically reviewed and updated as appropriate with regard to any relevant changes in the law or the Council's circumstances.

Risk assessment

The Council has not updated its risk assessment since 2013. A risk assessment should be performed at least annually and as a minimum, members should: -

- take steps to identify the key risks facing the parish council
- evaluate potential consequences to the council if an event identified as a risk takes place; and
- decide upon appropriate measures to avoid, reduce or control the risk or its consequences. This might involve insurance or the implementation of internal controls.

More guidance on risk management can be found in the NALC / SLCC publication "Governance and Accountability for Local Councils – A Practitioners Guide.



for Grant Thornton UK LLP

Date 5/5/16.

Our ref HRF036