

Section 3 – External Auditor Report and Certificate 2017/18

In respect of **Alveley and Romsley Parish Council (SH0008)**

1 Respective responsibilities of the body and the auditor

This authority is responsible for ensuring that its financial management is adequate and effective and that it has a sound system of internal control. The authority prepares an Annual Governance and Accountability Return in accordance with *Proper Practices* which:

- summarises the accounting records for the year ended 31 March 2018; and
- confirms and provides assurance on those matters that are relevant to our duties and responsibilities as external auditors.

Our responsibility is to review Sections 1 and 2 of the Annual Governance and Accountability Return in accordance with guidance issued by the National Audit Office (NAO) on behalf of the Comptroller and Auditor General (see note below). Our work **does not** constitute an audit carried out in accordance with International Standards on Auditing (UK & Ireland) and **does not** provide the same level of assurance that such an audit would do.

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Except for the matters reported below, on the basis of our review of Sections 1 and 2 of the Annual Governance and Accountability Return (AGAR), in our opinion the information in Sections 1 and 2 of the AGAR is in accordance with Proper Practices and no other matters have come to our attention giving cause for concern that relevant legislation and regulatory requirements have not been met.

The AGAR was not accurately completed before submission for review as Section 2, Box 3 incorrectly includes a refund of salary of £602 which should have been credited to Box 4. Boxes 3 and 4 should read £4,948 and £13,381, respectively. Please ensure that amendments are corrected in the prior year comparatives when completing next year's AGAR.

The Local Government (Discretionary Payments) (Injury Allowances) Regulations 2011 ("the 2011 Regulations"), came into force on 16 January 2012, which revoked the former powers held by smaller authorities under the Superannuation Act 1972 and Part VI of the Local Government (Discretionary Payments) Regulations 1996 which allowed them to make gratuity payments to their employees. The effect of the 2011 Regulations is that after 16 January 2012, councils no longer have the discretion to pay a retirement gratuity but may still fulfil any contractual obligations existing at that date. The terms of the former clerk's contract were updated to include the provision for a gratuity on 6 March 2012, which is after the 2011 Regulations came into force. During the year the smaller authority paid a gratuity of £1,963 to the former clerk on retirement which may therefore have been unlawful. The smaller authority should take care to review all current employment contracts to ensure that where any gratuity clauses exist they pre-date 16 January 2012. Contract amendments should be made for any such clauses that are effective from after 16 January 2012.

Other matters not affecting our opinion which we draw to the attention of the authority:
None

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We certify that we have completed our review of Sections 1 and 2 of the Annual Governance and Accountability Return, and discharged our responsibilities under the Local Audit and Accountability Act 2014, for the year ended 31 March 2018.

External Auditor Name

PKF LITTLEJOHN LLP

External Auditor Signature

Date

12/09/2018

* Note: the NAO issued guidance applicable to external auditors' work on limited assurance reviews for 2017/18 in Auditor Guidance Note AGN/02. The AGN is available from the NAO website (www.nao.org.uk)