

**This page is part of Section 3 - External auditor certificate and opinion 2016/17  
Barnby in the Willows Parish Council  
External Auditor Report for the year ended 31 March 2017**

**Matters reported**

None

**Other matters not affecting our opinion which we wish to draw to the attention of the authority**

**Objective F, Petty cash**

The internal auditor has answered 'Yes' to Objective F in relation to petty cash. This should state 'Not covered' as the Council does not operate a petty cash system.

The Council should ensure that the internal auditor's report is reviewed before sending the Annual Return to the external auditor. The Council should minute this process. If there are any errors in the internal auditor's report it should either be amended by the internal auditor or the Council should provide an explanation for the error.

**Assets**

Local councils and smaller authorities are required to maintain a register of all property, plant and equipment that it holds and should update this for purchases and disposals. A Council can use any reasonable method for valuing assets on acquisition but this should be applied consistently year on year and the value remain unchanged until the asset is disposed of. The method of asset valuation adopted should be set out in a policy approved by the Council and recorded in the asset register. The commercial concepts of depreciation and revaluation are not appropriate for local councils and smaller authorities.

We have noted that the value of some assets have increased and others have decreased because the Council has revalued its assets to a revised insurance value as at 31 March 2017. The Council should restate the 31 March 2017 figure in the 2017/18 annual return as note 'restated' beneath the £ sign in the 31 March 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 2017) sections 2.24 to 2.27 and 5.54 to 5.61.

Grant Thornton UK LLP

**Grant Thornton UK LLP**

Date 26 September 2017

**Our ref NOT010**