



This page is part of Section 3 - External auditor certificate and opinion 2015/16

**Tavistock Town Council  
Audit Report for the year ended 31 March 2016**

**Other matters not affecting our opinion which we wish to draw to the attention  
of Tavistock Town Council for the year ended 31 March 2016**

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

Tavistock Town Council has considered, approved and signed the Annual Governance Statement (Section 1) and the Accounting Statements (Section 2) on the same day and under the same minute reference. 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. In future, the Tavistock Town Council should ensure that the minute references clearly demonstrate that the Annual Governance Statement was considered, approved and signed before the Accounting statements.

**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.

Tavistock Town Council published its Notice indicating the period for the exercise of public rights commenced on 23 June 2016 and ended on 4 August 2016. 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.



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**Section 2, Accounting statements, Accounting for Fixed Assets**

It has come to our attention that Box 9 of Section 2 of the Annual Return – the Accounting Statements includes fixed assets that have been depreciated.

Local councils are required to account for fixed assets at purchase cost. If this is not known a proxy cost should be substituted (e.g. insurance value). Commercial concepts of depreciation or impairment adjustments, etc are not appropriate for local councils. For reporting purposes therefore, the 'book' value of fixed assets will usually therefore stay constant until disposal. Where insurance value has been used as a proxy, it should not be adjusted for annual changes.

Guidance on accounting for fixed assets is available in the NALC / SLCC publication "Governance and Accountability for Local Councils – A Practitioners Guide (England)" paragraphs 3.66 to 3.77.

The Council should restate the 2016 figures on next year's Annual Return and write "restated" beneath the £ sign on the 2016 column.

The Practitioners' Guide has been updated in 2016 and new guidance on accounting for fixed assets will apply in 2016/17. The Council should review this guidance when completing the 2016/17 Annual Return and ensure that it classifies its assets appropriately and the correct value of the asset is included in Box 9.

*Grant Thornton UK LLP*

**Grant Thornton UK LLP**

**Date** 25/9/16

**Our ref DVN361**