

**This page is part of Section 3 - External auditor certificate and opinion 2015/16  
Erlestone Parish Council  
Audit Report for the year ended 31 March 2016**

Section 3 of the Annual Return provides the External Auditor Report and Certificate. We have indicated on this section that we do not certify that we have completed our review of the Annual Return and discharged our responsibilities under the Local Audit and Accountability Act 2014 for the year ended 31 March 2016. We have provided our external Auditor Report below on the information that has come to our attention so far. We will update our External Auditor Report for any further issues when we give our certificate of closure and issue the full External Auditor certificate and opinion for 2015/16.

We are unable to certify completion until we have been provided with further information.

**Matters Reported**

**PAYE system**

It has come to our attention that a PAYE system was not always in place during 2015/16. Guidance issued by HMRC in February 2011 stated that all parish councils must operate a PAYE system for both tax and NIC purposes on income they pay to their clerks and RFOs. However there are certain circumstances where registration may no longer be required.

To find out if the Council is required to register as an employer go to the HMRC website, PAYE for employers, register as an employer and complete the online guidance tool.

It was noted that salary payments were paid by bank transfer. The Council should ensure they review the risks of single user payments. Advice on Safeguarding Public Money is available from NALC.

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

**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.

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**Erlestone Parish 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 Erlestone Parish Council for the year ended 31 March 2016 continued**

The Council published its Notice indicating the period for the exercise of public rights commenced on 3 June 2016 and ended on 15 July 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. As the external auditor to Erlestone Parish Council, this year we have withheld our certification of the Annual Return until the end of the period published by the Council in its Notice to ensure that public rights are not perceived to be denied due to an incorrect Notice.

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 2016/17 Annual Return.

*Grant Thornton UK LLP*

**Grant Thornton UK LLP**

**Date** 31/3/17

**Our ref WLT099**