

## Section 3 – External auditor report and certificate

In respect of:

Enter name of  
smaller authority here:

PENZANCE TOWN COUNCIL

### 1. Respective responsibilities of the body and the auditor

This smaller authority is responsible for ensuring that its financial management is adequate and effective and that it has a sound system of internal control. The smaller authority prepares an annual return in accordance with proper practices which:

- summarises the accounting records for the year ended 31 March 2017; and
- confirms and provides assurance on those matters that are relevant to our duties and responsibilities as external auditors.

Our responsibility is to review the annual 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.

### 2. 2016/17 External auditor report

(Except for the matters reported below)\* on the basis of our review of the annual return, in our opinion the information in the annual return is in accordance with proper practices and no other matters have come to our attention giving cause for concern that relevant legislative and regulatory requirements have not been met. (\*delete as appropriate).

(continue on a separate sheet if required)

Other matters not affecting our opinion which we draw to the attention of the smaller authority:

See attached

(continue on a separate sheet if required)

### 3. 2016/17 External auditor certificate

We certify/~~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 2017.

\* We do not certify completion because:

External auditor signature

Grant Thornton UK LLP

External auditor name

Grant Thornton UK LLP

Date

29/9/2017

Note: The NAO issued guidance applicable to external auditors' work on 2016/17 accounts in Auditor Guidance Note AGN/02. The AGN is available from the NAO website ([www.nao.org.uk](http://www.nao.org.uk))

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Penzance Town Council  
External Auditor Report for the year ended 31 March 2017**

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

**Standing Orders**

The Authority has not updated its Standing Orders since 2014. Standing Orders should be periodically reviewed and updated as appropriate with regard to any relevant changes in the law or the Authority's circumstances.

**Internal Audit Report**

The internal auditor has answered 'No' to Objective A as the Authority was behind with maintaining the financial systems. The internal auditor has also answered 'No' to Objective D as budget monitoring information was not regularly presented for Budget Holders and Committees to review. The internal auditor also answered 'No' to Objective I as the Authority did not complete a timely bank reconciliations.

However, we understand that all problems have since been addressed and that effective measures have been put into place to prevent them from happening in the future.

**Annual Governance Statement**

The Authority has answered 'No' to Assertion 2 of the Annual Governance Statement regarding internal controls as inadequate financial risk assessments were not in place until February 2017. Furthermore, the Authority ticked 'No' in response to Assertion 7 regarding taking action on matters raised from internal and external audit. This was because the Authority felt they had not responded to various matters raised by the internal auditor.

The Authority has now taken measures to resolve these issues.

*Grant Thornton UK LLP*

**Grant Thornton UK LLP**

**Date** 29/9/2017

**Our ref** CWL108