

This page is part of Section 3 - External auditor certificate and opinion 2013/14

**Clevedon Town Council
Audit Report for the year ended 31 March 2014**

**Other matters not affecting our opinion which we wish to draw to the attention
of Clevedon Town Council for the year ended 31 March 2014**

Accounting for Fixed Assets

It has come to our attention that Box 9 of Section 1 of the Annual Return – the Accounting Statements includes fixed assets valued at insurance value.

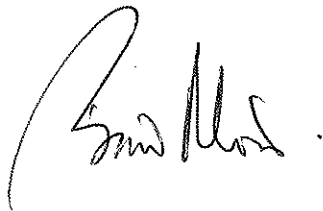
Local councils are required to account for fixed assets at purchase cost. If this is not known a proxy cost should be substituted (e.g. insurance value). Commercial concepts of depreciation or impairment adjustments, etc are not appropriate for local councils. For reporting purposes therefore, the 'book' 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.

Internal Auditor Engagement Letter

The Council received a letter of engagement from the Internal Auditor however it did not include the scope of the audit or the independence of the internal auditor.

The engagement letter should state the internal auditor's independence and outline the tasks to be undertaken. The internal auditor should not be requested to undertake tasks that may compromise independence.



for Grant Thornton UK LLP

Date 29/8/14.

Our ref AVN031