

Section 3 – External Auditor Report and Certificate 2018/19

In respect of **Shotgate Parish Council – EX0217**

1 Respective responsibilities of the body and the auditor

This authority is responsible for ensuring that its financial management is adequate and effective and that it has a sound system of internal control. The authority prepares an Annual Governance and Accountability Return in accordance with *Proper Practices* which:

- summarises the accounting records for the year ended 31 March 2019; and
- confirms and provides assurance on those matters that are relevant to our duties and responsibilities as external auditors.

Our responsibility is to review Sections 1 and 2 of the Annual Governance and Accountability 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.

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Except for the matters reported below, on the basis of our review of Sections 1 and 2 of the Annual Governance and Accountability Return (AGAR), in our opinion the information in Sections 1 and 2 of the AGAR is in accordance with Proper Practices and no other matters have come to our attention giving cause for concern that relevant legislation and regulatory requirements have not been met.

The AGAR was not fully or accurately completed before submission for review:

- Information received from the smaller authority indicates that no financial records were held from October 2018 onwards. As a result, the newly appointed Clerk and RFO has been unable to confirm the majority of the figures in Section 2 of the AGAR. This is inconsistent with information provided in the Annual Internal Audit Report and the internal auditor's detailed report which refers to different figures than those on the AGAR for Section 2, Boxes 1 -9 and the year end bank reconciliation. As a result of the above we have no confidence in the figures in the Accounting Statements and the smaller authority should have ticked "No" to Section 1, Assertion 1. The authority has since provided assurance that the accounts and financial records for the 2019/20 financial year are, and will continue to be, complete and accurate, however in light of the above, the smaller authority should review the 2018/19 accounting records and ensure that the opening balances for the 2019/20 year are accurate.
- The prior year comparative column in Section 2 has not been completed except for Boxes 1 and 2. However the completed AGAR for the prior year is available on the smaller authority's website and so, subject to matters raised in the prior year External Auditor Report, these figures were available and should have been entered in to Section 2.

The smaller authority has disclosed that it made proper provision during the year 2018/19 for the exercise of public rights, by answering 'Yes' to Section 1, Assertion 4. However, as was reported last year, we are aware that it failed to do this and therefore should have answered 'No' to this assertion. The smaller authority should also have disclosed that it did not take appropriate action on all matters raised in reports from internal and external audit, by answering 'No' to Section 1, Assertion 7.

The smaller authority failed to approve the AGAR in time to publish it before 1 July 2019, the date required by the Accounts and Audit Regulations 2015 and did not disclose this by answering 'No' to Section 1, Box 1. The smaller authority also failed to publish the final signed AGAR by 30 September 2019, the date required by the Accounts and Audit Regulations 2015. This is as a result of the AGAR not being approved until 8 October 2019 and so the appointed auditor could not complete the review by this date.

Section 1, Assertions 5 and 7 have been incorrectly completed as both assertions have been answered with a question mark. Information from the internal auditor indicates that the risk assessment was approved during the year and so the answer to Assertion 5 should have been 'Yes'. The smaller authority has not addressed the matters raised by the external auditor and so the answer to Assertion 7 should have been 'No'.

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

We note that the smaller authority did not comply with Regulation 15 of the Accounts and Audit Regulations 2015 as it failed to make proper provision during the year 2019/20 for the exercise of public rights, since the period for the exercise of public rights did not include the first 10 working days of July. As a result, the smaller authority must answer 'No' to Assertion 4 of the Annual Governance Statement for 2019/20 and ensure that it makes proper provision for the exercise of public rights during 2020/21.

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We certify that we have completed our review of Sections 1 and 2 of the Annual Governance and Accountability Return, and discharged our responsibilities under the Local Audit and Accountability Act 2014, for the year ended 31 March 2019.

External Auditor Name

PKF LITTLEJOHN LLP

External Auditor Signature



Date

03/12/2019

* Note: the NAO issued guidance applicable to external auditors' work on limited assurance reviews for 2018/19 in Auditor Guidance Note AGN/02. The AGN is available from the NAO website (www.nao.org.uk)