

Notes:

- 'SBA' is the Small Bodies Audit team within PKF Littlejohn LLP, the External Auditor for Lewannick Parish Council.
- The email messages below are presented in meaningful chronological order in contrast to the Council's version which was presented in reverse chronological order.

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From: SBA <SBA@pkf-littlejohn.com>

Sent: 03 January 2019 20:21

To: SBA <SBA@pkf-littlejohn.com>; elainepolyphant@gmail.com

Cc: mandjdwhite@hotmail.com; Paullewannick@aol.com; trevadlock@farming.co.uk Subject: Lewannick PC - query re 2016/17 external auditor report

Importance: High

Dear Mrs Cook

As you are aware, we have received formal objections to the 2017/18 Annual Governance and Accountability Return (AGAR) which we will need to consider under our responsibilities as laid down in the Local Audit and Accountability Act 2014 (the Act), despite the fact that the Council resolved to exempt itself from our limited assurance review of the AGAR for that year. We will be in touch in due course requesting the necessary information to enable us to consider the objections raised.

It has also come to our attention that the Council has amended the external auditor report included within Section 3 of the 2016/17 Annual Return and signed by the previous auditor, Grant Thornton (GT), by changing their opinion from an 'except for'/qualified opinion with 'other' matters raised and referring to an attached report in both sections to a 'clean'/unqualified opinion with no 'other' matters raised and has published this amended version on its website. Furthermore, the Council has not published the additional report issued by GT and referenced within the original version of Section 3 (pages 2 and 3 of the attached document). As a result, we are considering exercising our powers under the Act by issuing a public interest report regarding this matter. Please note that misconduct in public office is an offence, albeit that no financial gain or loss would likely result from these actions.

As a matter of urgency, please explain to us how and why this has been done by the Council and whether Members and officers are aware of the risks that the Council faces having deliberately tampered with a statutory report by crossing through various words qualifying the report; deleting references to the attached report by the use of tippex or similar; and not publishing the 2 pages of the 'attached' report. We have spoken to GT, who have confirmed that the version that they sent us (pages 1, 2 and 3 of the attached document) is the correct and only version of the reports that they issued. We have also discussed this matter with the NAO and its legal advisers.

The Council must publish the correct version on its website immediately; we also expect this matter to be discussed at the next Council meeting along with the Council's response to us regarding this matter. Please provide us with the minutes of that meeting.

We look forward to receiving the Council's response as a matter of urgency.

Kind regards

SBA Team

For and on behalf of PKF Littlejohn LLP T +44 (0) 20 7516 2200 sba@pkf-littlejohn.com

[Email copied to the current *Chair and **Vice Chair and the ***Chair of the meeting where the 2016/17 Annual Return was approved]

RWC Note: *Paul Atkinson, **Michael White and ***Barbara Sleep.

From: SBA <SBA@pkf-littlejohn.com>

To: Paullewannick@aol.com <Paullewannick@aol.com>; SBA <SBA@pkf-littlejohn.com>

Sent: Wed, 30 Jan 2019 23:07

Subject: FW: Lewannick PC - query re 2016/17 external auditor report/objections to the 2017/18 AGAR

Dear Cllr Atkinson

Further to our telephone conversation on 10 January, I am surprised that we have received no response at all to our email of 3 January below. **We request the Council's formal response to the email below as a matter of urgency.**

In addition, as you and the Council are aware, we are in receipt of objections to the 2017/18 AGAR (objection correspondence received via email 10 August 2018 and copied to the Council). We have realised that we had not previously written to you requesting the Council's formal response to each point raised by Mr Molesworth and Mrs Howes. Apologies for this oversight.

We are required to undertake checks to confirm that the objection correspondence meets the qualifying requirements, namely that the objection must:

- be made by a local government elector or their representative (this means the elector must be registered on the electoral roll for the local area in question);
- relate to an open year of account (a year for which the auditor has not yet issued their certificate closing that year's audit);
- be made within the 30 working-day prescribed period;
- be on matters which are within the auditor's jurisdiction, i.e. either regarding an item of account during 2017/18 in Section 2, the Accounting Statements, or a failure in an area of governance during 2017/18 covered by one of the assertions in Section 1, the Annual Governance Statement;
- at least briefly set out facts and grounds, which on the face of it, identify or which could give rise to an item of account contrary to law or a matter in relation to which a public interest report could be warranted;
- be in writing; and
- be copied to the audited body.

The costs of any additional work are met by the Council and therefore the council tax payers. Please see the following link to the fees and charges for the limited assurance contract: <http://www.localaudits.co.uk/fees.html> Where formal questions and/or objections are received by us, the hourly rates in table 2 will be charged for any additional work carried out. (All additional work in respect of elector correspondence is carried out by engagement leads/senior management.) As the costs to councils are high, one of the requirements of the NAO guidance that we must follow is to consider whether the costs to the local taxpayer would be disproportionate to the public interest at stake.

We have completed all the required elements of Step 1 of the NAO guidance, listed above, except for the receipt of confirmation that the objectors are on the electoral register for Lewannick. We are awaiting this from Cornwall Council, but are happy to accept the Parish Council's confirmation if you could provide it. Once received, we will accept the objection correspondence as valid; we then need to consider whether or not to formally accept any or all of the objections. Please could you provide the Council's response to each of the concerns and issues that Mr Molesworth and Mrs Howes have raised in their correspondence, along with any supporting documentation/evidence as appropriate. We will then carry out Step 2 and decide whether to formally accept the objections.

We look forward to hearing from you in due course. **We would like to set a deadline for receipt of the Council's formal response to the objections of Monday 25 February**, but please contact us in advance if this deadline is not achievable and we can rearrange.

Please note that we are aware that the Council exempted itself from our limited assurance review for 2017/18; if the outcome of any of the challenge work is that we choose to exercise our additional powers by issuing a statutory recommendation or public interest report, then the Council would no longer be eligible for exemption and we would have to carry out a limited assurance review of the AGAR at a cost of £200 plus VAT.

Kind regards

Rebecca

Rebecca Plane FCPFA

Senior Audit Manager

For and on behalf of PKF Littlejohn LLP T +44 (0) 20 7516 2200 sba@pkf-littlejohn.com

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From: paullewannick@aol.com <paullewannick@aol.com>

Sent: 21 February 2019 14:24

To: SBA <SBA@pkf-littlejohn.com>

Subject: Re: Lewannick PC - query re 2016/17 external auditor report/objections to the 2017/18 AGAR

Dear Ms Plane

Thank you for your email of 30 January 2019.

As discussed in our brief telephone conversation on 10 January, the matters referred to in your email of 3 January were discussed in a closed meeting of Lewannick Parish Council immediately after the ordinary meeting of 22 January.

I can confirm that the information which had appeared on the parish council website relating to the 2016/2017 annual return has been replaced by the correct documentation.

I cannot currently provide you with minutes of this meeting. Discussions which take place in closed meetings, whilst minuted, are not published with the ordinary minutes and though I have just this week received the minutes of the January meeting, I have not yet received a copy of the minutes of the closed meeting, but these have been requested and can be forwarded to you when received.

With reference to your email of 30 January, I can confirm that both Mr Molesworth and Mrs Howes are on the electoral roll for this parish.

Unfortunately, as the council decided at the end of 2018 that it would reduce the number of ordinary meetings of the council from ten to six per annum, there will not be a meeting of the council prior to 19 March. In consequence, there will not be an opportunity for the matters raised in your later email of 30 January to be discussed by the whole council until 19 March.

Regards

Paul Atkinson

Chair, Lewannick Parish Council

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From: SBA
Sent: 21 February 2019 17:26
To: paullewannick@aol.com; SBA <SBA@pkf-littlejohn.com>
Subject: RE: Lewannick PC - query re 2016/17 external auditor report/objections to the 2017/18 AGAR

Dear Mr Atkinson
Thank you for your email. Rebecca is currently on annual leave, returning 27 February. Your email has been marked for her attention.
Kind regards

SBA Team
For and on behalf of PKF Littlejohn LLP T +44 (0) 20 7516 2200 sba@pkf-littlejohn.com

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Sent: 27 February 2019 12:25
To: paullewannick@aol.com; SBA <SBA@pkf-littlejohn.com>
Subject: RE: Lewannick PC - query re 2016/17 external auditor report/objections to the 2017/18 AGAR

Dear Cllr Atkinson
Thank you for your email and for confirming the electoral register details of the objectors. I look forward to receiving the Council's formal response to the objections by 25 March at the latest, in view of the date of the next meeting.

Regarding the serious matter of the falsification of the prior year external auditor report, I have just checked the website and note that although the two pages of the GT additional reporting are now available; the Section 3 page on the website is still not the version issued by GT. It is still the amended version showing a clean opinion and no 'other' matters reported:

Please amend this as a matter of urgency and let me have details of the Council's discussions about this matter as soon as possible.

Kind regards
Rebecca
Rebecca Plane FCPFA
Senior Audit Manager
For and on behalf of PKF Littlejohn LLP sba@pkf-littlejohn.com

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From: SBA
Sent: 05 March 2019 19:44
To: paullewannick@aol.com; SBA <SBA@pkf-littlejohn.com>
Subject: RE: Lewannick PC - query re 2016/17 external auditor report/objections to the 2017/18 AGAR
Importance: High

Dear Cllr Atkinson

A further week has passed since my last email and still the Council's website includes the amended version of the prior year external auditor report and you have not responded to my email request below concerning this matter.

Please respond as a matter of urgency.

Kind regards
Rebecca

Rebecca Plane FCPFA
Senior Audit Manager
For and on behalf of PKF Littlejohn LLP sba@pkf-littlejohn.com

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(Date omitted by LPC, but likely to be between end of March and early April)

Dear Cllr Atkinson

Although you have failed to communicate with us, we have now seen that a version of the original external auditor report has finally been put up on your website; however, the Council has failed to meet the deadline of 25 March for submission of its formal response to the objections raised in relation to the 2017/18 AGAR – incidentally, I cannot see the AGAR on your website.

Although you had said you would forward the minutes of the discussion to me, these have not been received and I note from the minutes published on your website of the closed session on 22 January, that the objections were not discussed at this meeting. The minute of the discussion at the closed meeting gives no indication of who/why/what occurred regarding the amended audit report. Please provide this explanation now as previously requested.

I further note that the Agenda for the March meeting did not include discussion of the Council's formal response to the objections. Please update me as to whether the discussions that you had informed me would be held by the whole council, were actually held at the meeting on 19 March and when we can expect the Council's formal response.

Please respond as a matter of urgency.

Kind regards

Rebecca
Rebecca Plane FCPFA
Senior Audit Manager
For and on behalf of PKF Littlejohn LLP sba@pkf-littlejohn.com

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A complete email message - or more - seem to be omitted here.

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(Date omitted by LPC)

Dear Mrs Cook

Further to my earlier email and your contact with Sarah Mason from Cornwall ALC, I have attached the emails sent to yourself and to the Chair that are awaiting responses and also a copy of the objection letter for completeness.

Please let me know if you have any queries.

Kind regards

Rebecca

Rebecca Plane FCPFA

Senior Audit Manager

For and on behalf of PKF Littlejohn LLP

sba@pkf-littlejohn.com

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There may be one or more email messages sent to the Clerk, Mrs Cook and others after the above.

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PKF Littlejohn issued their [Statutory Recommendation](#) on 17 May, which LPC must discuss and provide answers to at the Extraordinary meeting on 12 June at 7:30pm at Polyphant Community Hall.

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