

## Section 3 – External Auditor Report and Certificate 2017/18

In respect of **Lewannick Parish Council (CO0069)**

### 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 2018; 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.

### 2 External auditor report 2017/18

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 smaller authority initially completed a certificate of exemption from our limited assurance review; however, there is no minute recording the Council's resolution to be an exempt authority for 2017/18.

The smaller authority failed to publish the AGAR in compliance with the Accounts and Audit Regulations 2015 and then removed some sections from the website.

The AGAR was not accurately completed before submission for review:

- The figures in Section 2, Boxes 6, 7, 8 and 9 for the current year should read £19,718, £3,202, £3,202 and £77,352 respectively. The prior year Box 9 figure should read £75,617.

We issued a statutory recommendation to the Council in respect of the falsification of the 2016/17 external auditor report on the Council's website and the Council's failure to respond to our queries in respect of this and other serious matters regarding the 2017/18 AGAR.

During 2017/18, there were significant failings in all aspects of governance and accountability at the Council. As a result, the responses to Section 1, Assertions 1 to 7 have been incorrectly completed, and the correct responses should be 'No'. The Council accepts that the responses given were not correct and has stated its commitment to improving governance and accountability during 2019/20.

The smaller authority failed to publish the final signed AGAR by 30 September 2018, the date required by the Accounts and Audit Regulations 2015. This is as a result of correspondence received by the appointed auditor that had to be considered before the review could be completed.

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

We note that the smaller authority did not initially comply with Regulation 15 of the Accounts and Audit Regulations 2015 as it failed to make proper provision during the year 2018/19 for the exercise of public rights, since the period for the exercise of public rights was less than 30 consecutive working days in length.

In the completion of the Annual Internal Audit Report, the internal auditor did not draw attention to any significant weaknesses for the smaller authority. It is recommended that in future the Internal Auditor carefully reviews the requirements of each internal control objective to ensure that the responses provided are accurate. We further note that the appointment of the internal auditor and agreement of their terms of reference was not minuted at a Council meeting.

As a result of objections and other matters that were brought to our attention by electors as well as the statutory recommendation that we have issued, a significant amount of additional work has been carried out by ourselves on various matters of governance and accountability. The Council has received an additional invoice for this work in line with the fees set by SAAA.

### 3 External auditor certificate 2017/18

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 2018.

External Auditor Name

**PKF LITTLEJOHN LLP**

External Auditor Signature

*PKF Littlejohn LLP*

Date

23/10/2019

\* Note: the NAO issued guidance applicable to external auditors' work on limited assurance reviews for 2017/18 in Auditor Guidance Note AGN/02. The AGN is available from the NAO website ([www.nao.org.uk](http://www.nao.org.uk))