

**Final External Auditor Report and Certificate 2018/19 in respect of
Lewannick Parish Council – CO0069****Page 1 of 2****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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On 24 September 2019, we issued a report detailing the results of our limited assurance review of Sections 1 and 2 of this authority's Annual Governance & Accountability Return for the year ended 31 March 2019. We explained that we were unable to certify completion of the review at that time. We are now in a position to certify completion of the review.

The external auditor report given in Section 3 of the Annual Governance & Accountability Return requires amendments as follows:

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.

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

1. The smaller authority has responded "No" to all the assertions in Section 1, with the exception of assertion 8, recognising the weaknesses in governance and accountability during the year.
2. We note that the internal auditor who carried out the internal audit work in 2019 has subsequently been appointed as the Clerk/RFO. Whilst they have introduced improvements in governance and accountability, they were therefore not independent of the financial decision making, management and control of the smaller authority. In addition, they were not formally appointed by the Council. The smaller authority must therefore disclose this by answering 'No' to Assertion 6 of the Annual Governance Statement on the 2019/20 AGAR. In future years, the smaller authority must maintain an independent system of internal audit of the accounting records and control systems.
3. We note that in the completion of the Annual Internal Audit Report and their detailed report, the internal auditor has drawn attention to significant weaknesses in relation to the low level of reserves, accounting records, PAYE requirements through HMRC (the Council was not registered), bank reconciliation and the asset register. The smaller authority must ensure that action is taken to address these areas of weakness in a timely manner.
4. We note that payments totalling over £7,000 made during 2018/19 were not minuted by the Council until October 2020. The Council should ensure that the payments are not just minuted but also retrospectively approved.

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5. We note that the Council was not registered as an employer during the year, but that it has registered as an employer with HMRC since the year end.
6. The Council must publish a variety of mandated information under the requirements of the Transparency Code for smaller authorities. Although we note that Assertion 3 has been answered 'No', the Council must ensure that it complies with the publication requirements in future.
7. The Box 9 figures for the 2018/19 AGAR were calculated by the former Clerk/RFO. We note that the Council reassessed its asset valuation as at the 2018/19 year end for inclusion in the 2019/20 AGAR, which was prepared by the new Clerk/RFO. The two AGARs therefore include slightly different Box 9 figures for the 2018/19 year end.
8. Section 2, the Accounting Statements has been amended after it was initially completed. The amendments have been initialled but not dated.
9. 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 correct information was not published on a website as well as a noticeboard. 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.
10. As a result of objections and other matters that were brought to our attention by electors 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.

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

PKF Littlejohn LLP

PKF Littlejohn LLP**23/02/2021**