

Section 3 – External Auditor Report and Certificate 2018/19

In respect of

Naunton Parish Council - GL0156

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 has not been signed in accordance with the Accounts and Audit Regulations 2015 as neither Section 1 nor 2 was signed by the Chair.

The AGAR was not accurately completed before submission for review:

- The smaller authority has not addressed the 'except for' matters raised by the external auditor when qualifying the prior year annual return. Section 2, Box 6 in the prior year should have been re-stated as £54,066 to eliminate payments already accounted for in Box 6 for 2016/17. Boxes 7 and 8 have also been changed from the 2017/18 return, both should be £55,552. Box 1 for the current year has picked up the incorrect balance which should also be £55,552, using this figure the current year Boxes 1+2+3-4-5-6 correctly equal Box 7 of £6,646.
- Unpresented cheque(s) totalling £632 have not been removed from the bank balance in Section 2 Box 8 for the current year. The adjusted reconciled cash balance should therefore be £6,645 which then balances with Box 7 as required under the receipts and payments accounting basis.
- Section 2, Box 10 is inconsistent with the balance published by the Public Works Loan Board. The figure in Box 10 should read £96,139.

Section 2 amended lines should read (amendments in red bold):

	2018	2019
Box 1	6,324	55,552
Box 6	54,066	53,037
Box 7	55,552	6,646
Box 8	55,552	6,645
Box 10	100,000	96,139

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

The smaller authority has not arranged for an independent internal auditor to review the internal controls and give their conclusion in the Annual Internal Audit Report. It must 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 adequate and effective system of internal audit of the accounting records and control systems.

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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

PKF Littlejohn LLP

Date

29/09/2019

* 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)