

Section 3 – External Auditor Report and Certificate 2018/19

In respect of **Pudding Norton and Testerton Parish Council – NO0349**

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 accurately completed before submission for review:

- The responses given in Section 1, Box 9 and Section 2 Box 11 are not consistent. The Council has confirmed that it does not act as sole managing trustee for trust funds and thus the answer given for Section 2 Box 11 is incorrect.

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

In the prior year, the smaller authority did not submit an AGAR for our review and we issued a public interest report regarding this failure. As a result, we have not reviewed any evidence to support the prior year comparatives on the AGAR.

The smaller authority has responded “No” to all assertions in Section 1. This is due to the fact 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 unapproved payments, reconciliation of the cash book to the bank accounts, bank reconciliation approval from the Full Council, VAT reclaim, lack of risk assessment, unavailability of asset register, improper budget preparation, lack of evidence showing the agreement for the precept, and Council employee salaries. The smaller authority must ensure that action is taken to address these areas of weakness in a timely manner. However the smaller authority has prepared accounting statements for 2018-19 and therefore the response to assertion 1 should be “Yes”.

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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

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)