

Section 3 – External Auditor Report and Certificate 2018/19

In respect of **Codicote Parish Council HT0031**

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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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:

The AGAR was not accurately completed before submission for review. The AGAR had to be sent back for amendment.

The accounting statements show a difference between Box 7 and Box 8 for both 2017/18 and 2018/19 (and 2016/17) which relates exclusively to the VAT debtor at the end of each year. If the accounting statements are prepared on a receipts and payments basis Box 7 must equal Box 8 and if they have been prepared on an income and expenditure basis the difference between Boxes 7 and 8 is reconciled by the year end debtors and creditors. The presence of the VAT debtor as the only reconciling item between the boxes without any other reconciling items suggests the council may be accounting on a receipts and payments basis but wrongly reflecting the VAT debtor as income within each year and hence within the carry forward balances in Box 7. The smaller authority should investigate this matter and, if relevant, correct the 2018/19 year (including any impact on the opening balance for that year) when submitting the 2019/20 AGAR.

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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

26/09/2019

* 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)