

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

In respect of

ULLEY PARISH COUNCIL (SY0085)

### 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.

We have not been provided with the prior year's AGAR and audit report by the previous auditors and as a result have been unable to take any comfort over the prior year figures.

The AGAR was not accurately completed before submission for review. Please ensure that amendments are corrected in the prior year comparatives when completing next year's AGAR:

- Section 2, Box 2, the annual precept, does not agree to the figure published by the precepting authority. The figures in Boxes 2 and 3 should read £6,214 and £5,892 respectively. All grants, including Council Tax Support Grant, should be shown in Box 3, as per the guidance notes on the AGAR.
- The smaller authority has not restated the 2016/17 assets figure in Section 2, Box 9 to include two assets totalling £1,182. These had not previously been included in error.
- The responses given in Section 1, Box 9 and Section 2, Box 11 are not consistent. The smaller authority has confirmed that it does not act as sole managing trustee for trust funds and thus the answer given in Section 1, Box 11 should have been 'N/A'

Section 1, Assertion 5 has been incorrectly completed, as the internal auditor has drawn attention to the fact that there has been no review, update and approval of the risk assessment during the year under review. As a result of this we believe the answer to Assertion 5 should have been "No".

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 the AGAR and additional documentation not being submitted for review until 6<sup>th</sup> November 2018 and the appointed auditor not then being able to complete the review by this date.

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

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 authorisation procedures, audit trail of accounting records, risk assessments and the fixed asset register. The smaller authority must ensure that action is taken to address these areas of weakness in a timely manner.

### 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

03/01/2019

\* 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))