

Section 3 – External Auditor Report and Certificate 2017/18

In respect of **Ewyas Harold Group Parish Council (HE0045)**

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.

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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.

As no AGAR was produced for the prior year and we have not received a bank reconciliation for the prior year, we have been unable to place any confidence in the prior year figures on the AGAR.

The smaller authority failed to approve the AGAR in time to publish it before 2 July 2018, the date required by the Accounts and Audit Regulations 2015, and did not disclose this by answering 'No' to Section 1, Box 1.

The AGAR has not been signed in accordance with the Accounts and Audit Regulations 2015:

- Section 1 was not signed by the Clerk
- Section 2 was not signed by the Responsible Finance Officer before approval.

The smaller authority has disclosed that it made proper provision during the year 2017/18 for the exercise of public rights, by answering 'Yes' to Section 1, Assertion 4. However, we are aware that it failed to do this and therefore should have answered 'No' to this assertion. It has also disclosed that it took appropriate action on all matters raised in reports from internal and external audit, by answering 'Yes' to Section 1, Assertion 7, which, on the basis of the above, is not correct.

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 correspondence received by the appointed auditor that had to be considered before the review could be completed. This is as a result of the AGAR and additional documentation not being submitted for review until 21/3/19 and the appointed auditor not having then completed the review by this date.

The smaller authority did not arrange for an independent internal auditor to review the internal controls and give their conclusion in the Annual Internal Audit Report during 2017/18 and did not disclose this by answering 'No' to Section 1, Box 6.

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

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 2018/19 for the exercise of public rights, since the period for the exercise of public rights did not include the first 10 working days of July. As a result, the smaller authority must answer 'No' to Assertion 4 of the Annual Governance Statement for 2018/19 and ensure that it makes proper provision for the exercise of public rights during 2019/20.

The smaller authority has not provided:

- a year end bank reconciliation in support of Section 2
- an adequate explanation for the variance between the prior and current year values in Boxes 4 and 6 of Section 2
- an adequate explanation for the difference between Section 2, Boxes 7 and 8.

The annual internal audit report focuses on ten internal control objectives covering an authority's key financial and accounting systems and concludes whether, in all significant respects, the internal control objectives were being achieved throughout the financial year to a standard adequate to meet the needs of the authority. We note that the internal auditor has not provided a conclusion on internal control objective C. The annual internal audit report will inform the authority's response to assertions 2 and 6 in the annual governance statement. As a result, the authority must ensure that assurance that has not been provided via these control objectives has been sought elsewhere.

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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 2018.

External Auditor Name

PKF LITTLEJOHN LLP

External Auditor Signature

PKF Littlejohn REQUIRED CAP

Date

28/05/2019

* 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)