

Section 3 – External Auditor Report and Certificate 2019/20

In respect of **Littleport Parish Council – CA0164**

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 2020; 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 smaller authority failed to approve the AGAR in time to publish it before 1 September 2020, the date required by the Accounts and Audit Regulations 2015 as amended by SI 2020/404 the Accounts and Audit (Coronavirus) (Amendment) Regulations 2020, and did not disclose this by answering 'No' to Section 1, Box 1.

The smaller authority failed to publish the final signed AGAR by 30 November 2020, the date required by the Accounts and Audit Regulations 2015 as amended by SI 2020/404 the Accounts and Audit (Coronavirus) (Amendment) Regulations 2020, and did not disclose this by answering 'No' to Section 1, Box 1. This is as a result of the AGAR and additional documentation not being submitted for review until 30/03/21 and the smaller authority setting a period for the exercise of public rights that finished on 6/08/21 meaning that the appointed auditor had to wait until after that date before the review could be completed

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 10 is inconsistent with the balance published by the Public Works Loan Board. The figure in Box 10 should read £38,500.
- The smaller authority has not addressed the 'except for' matter raised by the external auditor when qualifying the prior year annual return. Section 2, Box 2, the annual precept for the prior year does not agree to the figure published by the precepting authority. As per our 2018/19 report, Boxes 2 and 3 for the prior year should have been restated to £147,696 and £85,703, respectively. All grants, including Council Tax Support Grant should be shown in Box 3, as per the guidance notes on the AGAR.
- The balance brought forward from the previous year of £367,521 (Section 2, Box 1) does not agree to the prior year balance carried forward of £366,788 (Section 2, Box 7), a difference of £733. If the correct figure were to be included in Box 1 for the current year then the current year figures do not add up and it is unclear which other figure is incorrect. The smaller authority should review the 2019/20 figures carefully in conjunction with the bank reconciliation and ensure any errors are corrected in the comparative column in next year's AGAR.
- Section 2 has not been prepared in accordance with proper practices. The income and expenditure basis must be used to prepare the accounts for the third and subsequent years that the income and/or expenditure exceeds £200k and the comparatives should be restated to be on the same basis. The prior year figures have been prepared on a receipts and payments basis and it is not clear what basis has been used to prepare the current year figures as we have not been provided with a Box 7 to 8 reconciliation and as noted above there is uncertainty as to the accuracy of the figure in Section 2, Box 7 for the current year.

Section 1, Assertion 5 has been incorrectly completed. Information received from the internal auditor indicates that there was no review or approval of a risk assessment during the year. As a result of this, this assertion should have been answered "No".

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 amended by SI 2020/404 the Accounts and Audit (Coronavirus) (Amendment) Regulations 2020 as it failed to make proper provision during the year 2020/21 for the exercise of public rights, since the period for the exercise of public rights did not start on or before 1 September 2020. As a result, the smaller authority must answer 'No' to Assertion 4 of the Annual Governance Statement for 2020/21 and ensure that it makes proper provision for the exercise of public rights during 2021/22.

The smaller authority has not provided:

- an adequate explanation for the variance between the prior and current year values in Boxes 3 and 4 of Section 2
- an adequate explanation for the difference between Section 2, Boxes 7 and 8
- an adequate explanation for reserves being higher than two times the precept.

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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 2020.

External Auditor Name

PKF LITTLEJOHN LLP

External Auditor Signature

PKF Littlejohn LLP

Date

04/03/2022

* Note: the NAO issued guidance applicable to external auditors' work on limited assurance reviews in Auditor Guidance Note AGN/02. The AGN is available from the NAO website (www.nao.org.uk)