

## Section 3 – External Auditor Report and Certificate 2018/19

In respect of

LANIVET PARISH COUNCIL - CO0060

### 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.

### 2 External auditor report 2018/19

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 smaller authority has changed the basis of accounting from receipts and payments to income and expenditure and has restated the prior year figures in Boxes 3, 4, 6, 7 and 8. Box 1 in the prior year has not been restated. The smaller authority has not provided an explanation for this. Box 8 in the prior year has been incorrectly restated and should read £46,027.
- Section 2, Box 8 does not agree to the bank reconciliation. The figure in Box 8 should read £37,841.
- Please note that Box 4 should comprise all payments made in relation to the employment of staff including only employment expenses which are benefits (mileage, travel, etc.) but not items of reimbursement of expenses for postage, stationery or other outlays made on behalf of the smaller authority. Please restate Boxes 4 and 6 in next year's prior year comparatives as appropriate.
- The smaller authority has confirmed that it owns fixed assets, but that the recognition policy for those assets is to value them all at £Nil. This policy does not give a reader of the Accounting Statements the ability to draw any meaning from the Box 9 figures stated on the AGAR or to recognise any changes in those assets year to year. The Practitioners' Guide (the Guide) states that smaller authorities 'need to apply a reasonable approach to asset valuation which is consistent from year to year'. Under this range of possible approaches, all assets are expected to carry some value, however small. In particular, the Guide states that where assets are gifted at zero cost to the authority they should be recorded at a nominal value of £1. The smaller authority should therefore reconsider the valuation policy for all fixed assets and draw up a policy to be approved by the authority and recorded in both the authority's minutes and in the asset register. When submitting the 2019/20 AGAR, the smaller authority should ensure that the 2018/19 comparative figure in Box 9 is restated for consistency and comparability.

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

None.

### 3 External auditor certificate 2018/19

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

24/09/2019

\* 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](http://www.nao.org.uk))