

## Section 3 – External Auditor Report and Certificate 2019/20

In respect of

WELLOW PARISH COUNCIL AV0120

### 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.

### 2 External auditor report 2019/20

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 has not addressed the 'except for' matters raised by the external auditor when qualifying the prior year annual return. The prior year report drew attention to the lack of risk assessment and failure to update the asset register in 2018/19. However, the Risk Register was not formally adopted until April 2020 as a result of changes in clerk during the year and the impact of Covid-19. The small authority has 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. We note that the risk assessment has been adopted by the smaller authority since the year end.

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

The smaller authority has confirmed that it has not complied with the governance assertion in Section 1, Box 5, in respect of risk assessment but it has provided the appointed auditor with an adequate explanation for non-compliance and details of the actions already taken to address weaknesses identified.

In the completion of their detailed report, the internal auditor has drawn attention to weaknesses in relation to the cash book and bank reconciliations, evidencing approval of expenditure, risk assessment and review of the fixed asset register. The smaller authority must ensure that action is taken to address these areas of weakness in a timely manner.

We note that Sections 1 and 2 of the AGAR were approved on 1 June 2020 but that the public rights period did not commence until 20 July 2020. The period set is not strictly in contravention of the timing permitted under the legislation introduced as a result of Covid-19, but it should be noted that this year's extension to allow later public inspection was intended to allow for authorities who were not able to approve their AGAR until as late as the statutory deadline of 31 August 2020. Regulation 12 (3) of the Accounts and Audit Regs 2015 (signing and approval of the statement of accounts for Category 2 authorities) requires the Responsible Financial Officer, as soon as practicable after the date on which the authority complies with regulation 12 (2c) (re. accounts approved and signed following meeting), to do the following on behalf of the smaller authority:

- a) commence the period for the exercise of public rights in accordance with regulation 14 and regulation 15; and
- b) notify the local auditor of the date on which that period was so commenced.

We fully appreciate the difficulties arising as a result of coronavirus restrictions; however, please consider the requirements of the Accounts and Audit Regulations 2015, when setting the date for the approval of the AGAR in relation to the public rights period in future years.

### 3 External auditor certificate 2019/20

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

14/10/2020

\* Note: the NAO issued guidance applicable to external auditors' work on limited assurance reviews for 2019/20 in Auditor Guidance Note AGN/02. The AGN is available from the NAO website ([www.nao.org.uk](http://www.nao.org.uk))