

Section 3 – External Auditor Report and Certificate 2019/20

In respect of

MOULTON PARISH COUNCIL – CH0142

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 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 £37,716 and £14,963 respectively. All grants, including Council Tax Support Grant, should be shown in Box 3, as per the guidance notes on the AGAR.
- Unpresented cheques are incorrectly omitted from the bank reconciliation and from expenditure in Section 2. The figures in Boxes 6, 7 and 8 should read £170,100, £55,356 and £55,356 respectively.
- The smaller authority has not restated the 2018/19 figure when revaluing assets in Section 2, Box 9. Please note that the Practitioners' Guide allows smaller authorities to use any reasonable valuation method, provided that the prior year figure is restated for consistency and comparability.
- Section 1, Box 9 and Section 2, Box 11 of the AGAR have not been completed. The smaller authority has confirmed that the responses to both of these questions, regarding the authority's status as a sole managing trustee of trust funds, should have been "Yes".

Section 1, Assertion 5 has been incorrectly completed. In the completion of their detailed report, the internal auditor has confirmed that there was no review, update and approval of the risk assessment in 2019/20. The response to Assertion 5 should therefore have been "No".

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

The smaller authority has not provided an adequate explanation for the variance between the prior and current year values in Boxes 2 and 6 of Section 2.

The smaller authority has confirmed that the internal auditor has reviewed the internal controls and completed a detailed Internal Audit Report, however the correct Annual Internal Audit Report form should be completed in future.

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

26/11/2020

* 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)