

Section 3 – External Auditor Report and Certificate 2019/20

In respect of **Tydd St Mary Parish Council – LI0391**

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.

Information received from the smaller authority indicates £4,000 of refunds have been included as income in Section 2, Box 3 for the prior year. These items should have been netted off from the relevant expenditure rather than shown as income. Box 3 for the prior year should therefore read £14,720, with a corresponding total reduction of £4,000 in Boxes 4, 5 and/or 6, depending on the nature of the original payments.

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

The RFO/clerk and the Chair have signed both Sections 1 and 2; however, the signatures have been included in the opposite boxes. The signatures have been accepted as all are dated on the same day.

The same issue about assets being purchased in 2016/17 not being reflected in the Box 9 figure has been raised for the past 3 years; however, no action has been taken since the point was first raised. It is not clear whether those assets are still owned by the smaller authority, hence it is recommended that the smaller authority performs a review of the assets owned and updates the fixed asset register accordingly in 2020/21.

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 approval date (09.07.2020) was after the start of the period for the exercise of public rights (15.06.2020). 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 variances between the prior and current year values in Boxes 3 and 6 of Section 2.

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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

21/11/2020

* 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)