

## Final External Auditor Report and Certificate 2017/18 in respect of Walberswick Parish Council SF0392

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### 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 2018; 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.

### External auditor report 2017/18

On 24 September 2018, we issued a report detailing the results of our limited assurance review of Sections 1 and 2 of this authority's Annual Governance & Accountability Return for the year ended 31 March 2018. We explained that we were unable to certify completion of the review at that time. We are now in a position to certify completion of the review. The external auditor report given in Section 3 of the Annual Governance & Accountability Return requires amendments as follows:

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.

1. The AGAR has not been approved in accordance with the Accounts and Audit Regulations 2015; Section 2 was not signed by the Responsible Finance Officer before approval.
2. 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. The correct figures (amended figures in bold) are:

Box	2016/17 £	2017/18 £
1	18,831	<b>9,438</b>
2	8,000	12,000
3	<b>737</b>	18,772
4	2,611	10,629
5	0	0
6	15,519	<b>9,580</b>
7	<b>9,438</b>	<b>20,001</b>
8	<b>9,438</b>	<b>20,001</b>
9	<b>48,291</b>	<b>48,291</b>
10	0	0

3. The smaller authority has disclosed that it made proper provision during the year 2017/18 for the review of risk management arrangements, by answering 'Yes' to Section 1, Assertion 5. However, although minute 173/18 from the March 2018 meeting states that a working party is to be set up to review the financial risk assessment; there are no subsequent minutes to show that this occurred. We note that the Council could not provide evidence of the Council's risk management review during 2017/18 and therefore should have answered 'No' to this assertion.

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

1. The smaller authority has confirmed that it has not complied with the governance assertions in Section 1, Boxes 3, 4 & 7, but it has provided the appointed auditor with an adequate explanation for non-compliance and details of the actions necessary to address weaknesses identified.
2. We note that, as per the BDO 2016/17 report, an application for a grant was made without a Council resolution during 2016/17 and that the grant income was received during 2017/18. The Council should ensure that this does not re-occur in the future. We note the Council's comments regarding current practice in their action plan on the BDO recommendations.
3. We noted during our additional work on the challenge matters raised with us that there were a number of documents that we requested copies of that had either not been retained or had been lost or destroyed; the Council must ensure that it retains all important documentation in future.
4. We note that the smaller authority did not comply with Regulation 15 of the Accounts and Audit Regulations 2015 as it failed to make proper provision during the year 2018/19 for the exercise of public rights, since the correct information was not published on a website (explanatory notes to the Notice). As a result, the smaller authority must answer 'No' to Assertion 4 of the Annual Governance Statement for 2018/19 and ensure that it makes proper provision for the exercise of public rights during 2019/20.
5. We note that the internal audit report was noted as 'received' but the recommendations and comments made by the internal auditor do not appear to have been discussed by Members, including comments about the accounts which could have avoided the issues with the figures which have led us to qualify our report. In future, the Council should ensure that all internal and external auditor reports are considered in detail; with action plans drawn up to implement identified improvements as appropriate.
6. We received a large number of objections to the 2017/18 AGAR from various local electors; the additional work involved in considering these objections has resulted in additional fees payable by the Council.

### External auditor certificate 2017/18

We certify that we have completed our review of Sections 1 and 2 of the Annual Governance & Accountability Return, and discharged our responsibilities under the Local Audit and Accountability Act 2014, for the year ended 31 March 2018.

*PKF Littlejohn LLP*

**PKF Littlejohn LLP**

**26/05/2019**