

## Section 3 – External Auditor Report and Certificate 2017/18

In respect of

Luxulyan Parish Council – CO0076

### 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 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.

### 2 External auditor report 2017/18

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' matter raised by the external auditor when qualifying the prior year annual return. A risk assessment has not been carried out and approved by the Council in the last two financial years. Therefore, the governance assertion in Section 1, Box 7, should have been answered 'No'.

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

In the completion of the Annual Internal Audit Report, the internal auditor has drawn attention to significant weaknesses in relation to risk assessment as the smaller authority has not carried out a financial risk assessment for the last two financial years. The internal auditor has commented that a Financial Risk assessment was presented to the Council in April 2018 but that this was more of a statement of internal controls and did not address the risks themselves. Accordingly the smaller authority has correctly confirmed that it has not complied with the governance assertion in Section 1, Box 5. The smaller authority must ensure that action is taken to address this area of weakness 2018/19.

### 3 External auditor certificate 2017/18

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 2018.

External Auditor Name

PKF LITTLEJOHN LLP

External Auditor Signature

*PKF Littlejohn LLP*

Date

01/09/2018

\* Note: the NAO issued guidance applicable to external auditors' work on limited assurance reviews for 2017/18 in Auditor Guidance Note AGN/02. The AGN is available from the NAO website ([www.nao.org.uk](http://www.nao.org.uk))