

**Final External Auditor Report and Certificate 2017/18 in respect of
Egton with Newland, Mansrigg & Osmotherley Parish Council – CU0089**

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 28/09/18 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.

The AGAR was not accurately completed before submission for review. 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 £7,263 and £2,631 respectively. All grants, including Council Tax Support Grant, should be shown in Box 3, as per the guidance notes on the AGAR. Please ensure that amendments are corrected in the prior year comparatives when completing next year's AGAR.

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 figures in Section 2 have been incorrectly restated for the omission of petty cash from the figures and now last year's figures do not add up. We have been unable to determine the amount of the adjustment required to the prior year's figures.

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

The internal auditor is not independent of the financial decision making, management and control of the smaller authority as he has been involved in the preparation of the supporting documentation for the AGAR (bank reconciliation). The smaller authority must disclose this by answering 'No' to Assertion 6 of the Annual Governance Statement on the 2018/19 AGAR. In future years, the smaller authority must maintain an independent system of internal audit of the accounting records and control systems.

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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

12/12/2018