

Section 3 – External Auditor Report and Certificate 2017/18

In respect of

Camelford Town Council (CO0016)

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.

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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.

The AGAR was not accurately completed before submission for review as investments in the CCLA Property Fund have incorrectly been included as short-term assets in Section 2 Box 8 rather than Box 9. The correct treatment for investments of this kind is to account for the cost of the investment in the year the purchase was made in Box 6 and include the investment itself in Box 9 (stated in accordance with the smaller authority's accounting policy, e.g. either cost or valuation). From the information provided the smaller authority purchased 25,439 units at 30 September 2017 which means that Box 6 for current year has been understated by the amount paid for those units and the balance carried forward at 29 March 2018 is correspondingly overstated. Based on information provided by the smaller authority Section 2, Box 7 for 2017/18 should have been £80,000 lower, and Section 2 Box 6 should correspondingly be £80,000 higher. The balances in Box 9 should include these investments either at cost or valuation. Please ensure that amendments are corrected in the prior year comparatives when completing next year's AGAR.

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

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 notice regarding the period for the exercise of public rights was not published before the start of the period (the notice was published on 4 June, the same day as the first day of the period advertised). 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.

Whilst the annual statement at 31 December 2017 has been provided, the smaller authority has not provided year end bank statements or other information to support the National Savings and Investments account balance of £41,543 at 31 March 2018 as included in the bank reconciliation to Section 2, Box 8.

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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 2018.

External Auditor Name

PKF LITTLEJOHN LLP

External Auditor Signature

Date

25/09/2018

* 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)