

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

In respect of

WHITSTONE PARISH COUNCIL (CO0206)

#### 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 confirmed that £45,000 of the balance shown in Section 2 Box 8 for at least the last 2 years relates to an investment in the Local Authorities Property Fund (LAPF). The LAPF is not an interest-bearing savings account, rather it is a unit trust type investment in a property portfolio and the values are subject to fluctuation based on monthly quotations of redemption value. It is therefore an investment required to be disclosed in Box 9 of the Annual Return along with Fixed Assets and other Long-term Investments. Investments in and realisations of this investment therefore fall to be disclosed as Expenditure (Box 6) and Income (Box 3) respectively in the AGAR in the year in which they occur. There is no adjustment to Box 6 for either of the years shown as the investment was made prior to 1 April 2016; however, Boxes 1,7,8 and 9 on Section 2 of the AGAR should read as below. Please ensure corrections are made to the 2017/18 figures when submitting the 2018/19 AGAR.

Box	2016/17	2017/18
1	17,790	33,053
7	33,053	39,086
8	33,053	39,086
9	55,454	55,454

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

#### 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

Date

19/09/2018

\* 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))