

### Section 3 – External Auditor Report and Certificate 2020/21

In respect of **TYWARDREATH & PAR PARISH COUNCIL – CO0198**

#### 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 2021; 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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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 it prepares its accounts on an income and expenditure basis; however, Box 7 equals Box 8 for the current year. The smaller authority has informed us there are no debtors or creditors at 31 March 2021; however, the treatment adopted for accounting for VAT is not clear. The guidance section of the Practitioners' Guide states the following:

*"5.132. For authorities reporting on an income and expenditure basis the amounts of VAT collected from customers, paid to suppliers, and payable to, or repayable by, HMRC will be posted to a Creditor Account which will result in a balance due to, or from, HMRC. This balance will be included in Creditors or Debtors as appropriate."*

Please ensure a review of the accounting treatment for VAT is performed in accordance with the above and the figures for 2020/21 restated, as appropriate, in the 2021/22 AGAR. Any restatement must also consider the opening position at 1 April 2020.

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

None

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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 2021.

External Auditor Name

**PKF LITTLEJOHN LLP**

External Auditor Signature

*PKF Littlejohn LLP*

Date

21/09/2021

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