

Section 3 – External Auditor Report and Certificate 2017/18

In respect of **Braunton Marsh Internal Drainage Board DB0012**

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.

1. Section 1, Assertion 1 has been incorrectly completed, as it has been answered 'Yes'. Information received from the smaller authority indicates that the authority did not prepare and approve a budget before setting rates and levies prior to the commencement of the financial year; consequently, the answer should have been 'No'. We note that the authority has since received assistance in respect of this matter, and has an approved budget in place for the 2018/19 financial year.
2. Section 1, Assertion 5 has been incorrectly completed. In the completion of the Annual Internal Audit Report, and their detailed report, the internal auditor has drawn attention to significant weaknesses in relation to governance and control, as the authority did not prepare, review and adopt a comprehensive risk assessment within the year. The authority has disclosed that it carried out an assessment of the risks facing the authority and took appropriate steps to manage those risks, by answering 'Yes' to Section 1, Assertion 5, which, on the basis of the above, is not correct. The smaller authority must ensure that action is taken to address these areas of weakness in a timely manner.
3. The Section 48 Notice provided by the smaller authority has not been fully completed as it does not show a figure for estimated income from drainage rates and special levies, as required by Section 48(2)(b) of the Land Drainage Act 1991. As a result, we were unable to complete our testing on the figure in Section 2, Box 2.

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

None

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

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)