

Section 3 - External Auditor Report and Certificate 2022/23

In respect of

Pailton Parish Council

1 Respective responsibilities of the body and the auditor

Our responsibility as auditors to complete a **limited assurance review** is set out by the National Audit Office (NAO). A limited assurance review is **not a full statutory audit**, it does not constitute an audit carried out in accordance with International Standards on Auditing (UK & Ireland) and hence it does not provide the same level of assurance that such an audit would. The UK Government has determined that a lower level of assurance than that provided by a full statutory audit is appropriate for those local public bodies with the lowest levels of spending.

Under a limited assurance review, the auditor is responsible for reviewing Sections 1 and 2 of the Annual Governance and Accountability Return in accordance with NAO Auditor Guidance Note 02 (AGN 02) as issued by the NAO on behalf of the Comptroller and Auditor General. AGN 02 is available from the NAO website – <https://www.nao.org.uk/code-audit-practice/guidance-and-information-for-auditors/>.

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 2023; and
- confirms and provides assurance on those matters that are relevant to our duties and responsibilities as external auditors

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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, in our opinion the information in Sections 1 and 2 of the Annual Governance and Accountability Return is in accordance with the 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.

It was noted on review that the announcement of the Period for Public Rights was the same date as the approval of Section 2 of the Annual Governance and Accountability Return. Regulation 12 – 15 of the Accounts and Audit Regulations 2015 set out the order required to be followed when approving, announcing and publishing the Return and related documents in order to satisfy the Public Rights requirements. The Return must be approved prior to the Notice being published. To be able to demonstrate this, proper practice requires that the Notice is published no sooner than the day following the approval meeting and the Public Rights period commences no sooner than the next working day after that.

The Council approved Section 1 of the Annual Governance and Accountability Return after Section 2 which is in breach of Section 6(4)(a) of The Accounts and Audit Regulations 2015, which requires Section 1 to be approved in advance of Section 2.

Regulation 14(1) of the Audit and Accounts Regulations 2015 requires the period of public rights should be a 'single period of 30 working days'. The Council provided a period of 24 working days in 2022-23 for the review of their records which is a significant breach of the regulation and the Council need to note this for completion of the governance assertions on the 2024 form. In future the council should ensure that it calculates and provides a period of precisely 30 working days.

The Council has answered 'Yes' to Box 4 of Section 1 of the Annual Governance and Accountability Return which relates to how the Notice of Public Rights was advertised within the financial year 2022-23. Therefore, it relates to the Notice announcing the public right to review the 2021-22 return which was published during 2022-23. As noted in the Auditor Report last year, this notice was not correctly advertised therefore this question should have been answered 'No'.

The Council should have also answered 'No' to Box 7 of Section 1 of the Annual Governance and Accountability Return which relates to taking appropriate action on matters reported from internal and external audit. The external Auditors on the 2021-22 audit report noted that the Notice of Public Rights was not announced correctly, and this issue has arisen again this year so has not been actioned.

On completion of our 2023 review, the Council has amended the 2022 figures in relation to boxes 7 and 8 of their return by a relatively trivial amount of £2. However, this has not been marked 'Restated' at the top of the comparative column to ensure the public are aware of this change from what was provided to them for inspection last year, nor does it appear that an explanation for the change has been provided. As this relates to the prior year's figures we would not anticipate this issue to require noting on the 2024 return.

However, the values in boxes 7 and 8 of Section 2 of the Annual Governance and Accountability Return for the current year are incorrect as they contain a typographical error. This means they are not the sum of the figures above nor do they agree to the bank reconciliation. These balances need to be restated to £227,466 on the 2024 return and duly marked 'restated' in line with the JPAG Practitioners Guide. An explanation should also be provided with the 2024 return in relation to these restatements.

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

Section 2 of the AGAR was initially submitted without the Trust Fund disclosure in Box 11a and b completed. This was later resubmitted with 'No' answers which was in line with our expectations and so there are no further concerns in this area.

Incomplete information received with regards to significant variances. The parish council should in future ensure that significant variances are scheduled in their entirety. Explanations received and acceptable so no further concerns in this area.

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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 2023.

External Auditor Name

 **MOORE**

External Auditor Signature



Date

01/08/2023