

Section 3 - External Auditor Report and Certificate 2022/23

In respect of

Arnesby 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

2 External auditor report 2022/23

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.

Section 2 of the AGAR was initially submitted without the Trust Fund disclosures in Box 11a and 11b completed. This was later resubmitted with 'No' and 'Yes' answers to 11a and 11b but this was expected to be answered 'No' and 'N/A' respectively given the Council are not a sole trustee.

Section 12 of the Audit and Accounts Regulations 2015 requires the RFO to complete Section 2 of the Annual Governance and Accountability Return prior to passing it to the Council for its approval. This year, the Council approved the Return before the RFO which is a breach of this regulation. In future the Council should ensure the form is duly completed prior to it considering it for approval.

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

On initial submission of the AGAR, Assertion 9 on Section 1 relating to the Council's status as a sole trustee was unanswered. On query, this section was resubmitted with a 'N/A' response which is consistent with expectations and so deemed reasonable. We have no remaining concerns in this area.

The Return required to be amended in respect of Box 5, 9 and 10 of Section 2 - Accounting Statements. These were originally left blank and resubmitted with a '0' inserted. The original return advertised to the public was therefore technically incorrect, but we consider there to be no significant impact from this omission. The Council should in future ensure that all boxes are fully completed in accordance with paragraph 2.5 of the Practitioners' Guide.

On review, the council's general reserves are higher than the generally accepted level for general reserves for smaller authorities. The council have however informed us that some of these general reserves are actually held to fund the provision of a proposed children's play area within the Parish. Whilst this is reasonable as a statement, the council should quantify the amount earmarked for the 'play area reserve' from General Reserves each year under the budgeting guidance, ensuring that they then leave sufficient general reserves which under general guidance is 0.25 and 1.0 times expenditure. Amounts can be designated to and/or from this reserve as part of the in-year budget monitoring process as is required.

The Notice of Public Rights initially submitted did not provide a date of announcement and also referred to the incorrect external auditor. The council later resubmitted a Notice of Public Rights form with this information completed, although the council name was missing from this resubmission. The council should in future ensure that the Notice of Public Rights form is fully and accurately completed.

The Internal Auditor did not initially complete control Objective O on the Annual Internal Audit Report. When this was updated and resubmitted the 'Not applicable' answer given was consistent with other items on the AGAR and so no concern remains in this area.

The Internal Auditor has signed off the Annual Internal Audit Report 2022/23 after the Annual Governance and Accountability Return 2022/23 was approved. This means the completed 2022/23 report was not available for review and consideration with the form. It is presumed that the statements in Section 1 Annual Governance Statement refer to the previous year's internal audit report.

Incomplete information was provided with the initial supporting data submitted for review with regards to significant variances, which was later provided on request. The parish council should in future ensure that all the necessary supporting information is provided with their annual submission.

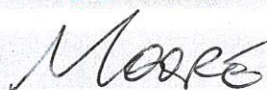
3 External auditor certificate 2022/23

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

29/09/2023