

Section 3 - External Auditor Report and Certificate 2023/24

In respect of **Arthuret Parish Council**

1 Respective responsibilities of the auditor and the authority

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 2024; and
- confirms and provides assurance on those matters that are relevant to our duties and responsibilities as external auditors

2 External auditor limited assurance opinion 2023/24

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 1 of the AGAR was completed as approved on 24/06/2024 with a minute reference 500.5.1. Section 2 of the AGAR was dated on the same day with a minute reference 500.5.2. The minutes found on the Parish Council's website clearly show both Sections 1 and 2 were approved at the meeting held on 24/06/2024 but recorded as minute item 491.1. As such, the minute references reflected on the AGAR are incorrect. We would expect this to be reflected in the council's response to Assertion 3 on the 2024-25 return and any future minute references to match back to the reference provided in those minutes.

A review of the Council's website, the Finance section and using the search function, has identified that the Council does not appear to have fully met the requirement of the Accounts and Audit Regulations 2015, Regulation 13 (1) which states that the final audited Annual Governance and Accountability Return should, on conclusion of the audit, be available for public access, which includes publication on the Council's website. The Council amended Section 2 of their 2022/23 return year during the 2022/23 review process however only the original version of the return is visible on the Council's website. In addition, the Notice of Conclusion included in the 2022/23 section of the website is the notice of conclusion of the 2022 review process. Therefore, it appears that the 2023 notice of conclusion has not been published as is required by regulation 16 of the Accounts and Audit Regulations 2015. The Council should bring these points into line with the regulations as soon as practically possible.

We identified during our review of the Annual Governance and Accountability Return that box 1 of the prior year column (2023) on Section 2 - Accounting Statements did not agree to the figures provided on the 2022-23 form. No explanation was provided for this amendment and the box has not been marked as 'Restated' to bring it to the attention of the reader. As the figures for the 2024 year appear to be correctly stated we do not believe this should impact the 2024-25 return.

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

On review, the council's year end reserves balance is negative. This is because one of the bank accounts contained several outstanding cheques yet to be paid out as at 31/03/2024. However, after this date the Council have informed us that they have written off £2,568.32 of older uncleared payments and had this been done before the period end then the balance would not have been negative. The Council should keep this under review and ensure that they have sufficient reserves to cover expenditure. Per Paragraph 5.33 of JPAG Practitioners' Guide, best practice suggests this should generally be at least 3 months expenditure as a minimum. These cannot include ring fenced funds and should avoid including funds which are designated for another purpose.

The Council have failed to ensure that there is a sound system of internal controls during the period which is correctly reflected on the AGAR. The Council have plans in place to resolve this and we expect to see these plans in action for 2024-25.

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 2023/24

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 2024.

External Auditor Name

 **MOORE**

External Auditor Signature



Date

20/09/2024