

Section 3 - External Auditor Report and Certificate 2022/23

In respect of **Beaudesert and Henley in Arden Joint 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.

The Council have provided an inaccurate Notice of Public Rights, which states members of the public should notify PKF as their External Auditor if they wish to object or raise questions. This should provide the details for Moore as the external auditor. We note that PKF were the previous auditor for the Council, but this is a requirement of the Audit and Accountability Act 2015 Regulation 15(2)(b)(iii). Therefore Assertion 4 should be answered 'No' on Section 1 of the 2024 return.

We noted during our review of the Annual Governance and Accountability Return that Boxes 4 and 6 of the prior year (2021-22) on Section 2 - Accounting Statements were restated, as suggested on the 2021-22 External Audit Report. In reviewing the 2022-23 return we note that whilst the amendments have been correctly processed, the column/item has not been marked 'Restated' as required by the JPAG Practitioners Guide, to properly bring it to the attention of the reader. As a result, a 'No' response should have been provided at Assertion 3 on the 2022-23 Governance Statement. We do not anticipate this being an issue in the future as the current year figures have been correctly reported.

It was noted by the internal auditor that the records for budget tracking were inconsistent, incomplete and not properly approved. The internal auditor also noted that financial regulations were not always followed, especially with regards to the expenditure information being approved in the minutes. We would therefore have expected Assertion 1 of the 2022-23 Annual Governance Statement to have been answered 'No'.

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

There is a trivial rounding error in this year's column when summed. When rounding the numbers for the Return care should be taken to ensure the Return sums correctly.

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.

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

The Return required to be amended in respect of Box 10 of Section 2 - Accounting Statements. This was 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.

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 provided a 'not covered' response for control objective C which relates to whether the Council assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these. Having reviewed the Council's website, it appears from the Council's risk register document that this was approved and adopted during the 2022/23 financial year therefore we would have anticipated this objective to have been considered and to be considered in future.

The Internal Auditor ticked 'No' to control Objective K on the Annual Internal Audit Report which relates to whether a Council correctly certified itself exempt in the prior year. We expected this control objective to be answered 'Not covered' as last year the Council did not claim exemption from review and submitted an AGAR 3 for review.

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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

External Auditor Signature

 **MOORE**


Date

26/09/2023