

Final External Auditor Report and Certificate 2021/22 in respect of Ellesmere Rural Parish Council SH0070

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 2022; and
- confirms and provides assurance on those matters that are relevant to our duties and responsibilities as external auditors.

External auditor report 2021/22

On 28 September 2022, we issued a report detailing the results of our limited assurance review of Sections 1 and 2 of this authority's Annual Governance & Accountability Return for the year ended 31 March 2022. We explained that we were unable to certify completion of the review at that time. We are now in a position to certify completion of the review.

The external auditor report given in Section 3 of the Annual Governance & Accountability Return requires amendments as follows:

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.

Section 2 has not been prepared in accordance with proper practices:

- The smaller authority has confirmed that it prepares its accounts, for purposes of the AGAR, on the income and expenditure basis. However, VAT has not been excluded from the figures in the AGAR. Under the income and expenditure basis of accounting the figures in the AGAR should be net of recoverable VAT and any VAT due at the year end should be treated as a debtor and included as part of the reconciliation between Boxes 7 and 8. The smaller authority has confirmed that there was no VAT due at the year end. Please ensure that the figures are shown net of VAT in future and that the prior year comparatives are restated accordingly on next year's AGAR.
- Information received from the smaller authority indicates that there is a joint arrangement between itself and Ellesmere Town Council in respect of a jointly owned and managed cemetery. This has not been accounted for in accordance with proper practices. Paragraph 5.133 of the Practitioners' Guide requires that authorities that operate joint arrangements should include the appropriate share of income, expenditure, assets and liabilities within their own accounts. The smaller authority should ensure that the joint arrangement is accounted for in accordance with the provisions of the Practitioner's Guide in future and that the prior year comparatives are amended to be on the same basis.

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

None

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We certify that we have completed our review of Sections 1 and 2 of the Annual Governance & Accountability Return, and discharged our responsibilities under the Local Audit and Accountability Act 2014, for the year ended 31 March 2022.

PKF Littlejohn LLP

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31/10/2022