

Section 3 - External Auditor Report and Certificate 2022/23

In respect of **Stadhampton 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.

We identified during our review of the Annual Governance and Accountability Return that box 9 of the prior year column (2021-22) on Section 2 - Accounting Statements has been restated. This was in order to correct the previous years and ensure that Box 9 agreed to the fixed asset register. However, the column has not been marked as 'Restated' to bring it to the attention of the reader, which is a breach of proper practices and as a result a 'No' response should have been provided at assertion 3 on the 2022-23 Governance Statement. As the figures for the 2023 year are correctly stated we do not believe this should impact the 2023-24 return.

The general reserves held by the council at the year-end were negative. The only other reserve funds held by the council consisted of a CIL reserve, which appeared to be being used to balance the shortfall in the council's general expenditure. This is a breach of the Practice Guidance 2022 Assertion 1.13 which states the need for a council to put in place a general reserve policy, and Section 5 which gives guidance on the level of general reserve being 0.25 times annual expenditure as a minimum. This suggests that assertions 1 and 3 should have been answered 'No'.

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

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.

The comparative AGAR Section 2 Statement of Accounts does not arithmetically add down to Box 7, resulting in Box 7 and Box 8 being £1 incorrect. This was because Box 6 was changed by £1. This must be reviewed prior to submission to ensure that all the boxes add down to the correct total, and care must be taken not to amend the comparative figures as these must always agree to the prior year submitted AGAR.

The Internal Auditor has provided a yes response to control objective D which refers to budget monitoring and adequacy of reserves. As there was a negative general reserve at the year end we would have anticipated this response to have been 'No'.

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



External Auditor Signature

A handwritten signature in dark ink, appearing to read "Moore", written over a light blue circular stamp.

Date

25/09/2023