

Section 3 - External Auditor Report and Certificate 2023/24

In respect of

Desford 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.

The Council have exceeded the thresholds for the receipts and payments basis of accounts for three consecutive years therefore the income and expenditure (accruals) basis is required, with the comparative year amended to be on the same basis. As Section 2 has been prepared on a receipts and payments basis assertion 1 should have been answered 'No'.

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

The bank reconciliation was not provided on the initial submission, once received there were no issues noted. This is one of the supporting documents we require on the initial submission therefore please note this for the future.

The internal auditor has provided a 'yes' response at control objective K on their report. This suggests that the council correctly claimed exemption from audit in the previous (2022-23) year. As the council was not exempt and did not claim exemption, the answer to this point should have been 'not covered'.

There is no evidence to suggest that the internal auditor was appointed at a Parish Council meeting. In future, the Council should ensure that the internal auditor is appointed at a Full Council meeting and that this appointment is documented clearly in the minutes of this meeting. We would expect this to be considered in the council's response to Assertion 3 on the 2024-25 return.

The internal auditor has provided a 'yes' response at control check J on their report. However, the accounts have been prepared on the incorrect basis. The council need to prepare their accounts on an Income & Expenditure (accruals) basis and have used the receipts and payments basis. Therefore this should have been answered 'no'.

There is no evidence to suggest that the external audit report was considered and discussed by the Council. In future, all points raised on the external audit report should be considered, discussed and if necessary actioned at a meeting and clearly evidenced in the minutes of this meeting in line with best practice as suggested by Paragraph 5.98 of JPAG Practitioners' Guide 2023.

On the initial submission of Section 2 of the Annual Governance and Accountability Return there was a typographical error contained within Boxes 2, 3, 4 and 6 for the current year. This was later corrected, resubmitted, and correctly republished on the Council's website, we have no further concerns in this area.

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

13/08/2024