

Section 3 - External Auditor Report and Certificate 2022/23

In respect of

Horspath 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.

It was noted that the Council did not prepare nor approve a budget prior to setting the Precept as required by paragraph 1.8 of JPAG Practitioners' Guide 2022. Therefore, since this is a breach of proper practices, we would have expected Assertion 3 on the Annual Governance Statement to be answered 'No'.

The Audit and Accounts Regulations 2015 requires all expenditure to be approved. The internal auditor noted that a contract was set up without formal approval from the full council. We would expect Assertion 1 to be answered 'No' on Section 1.

The Council has answered 'Yes' to Box 4 of Section 1 of the Annual Governance and Accountability Return which relates to how the Notice of Public Rights was advertised within the financial year 2022-23. Therefore, it relates to the Notice announcing the public right to review the 2021-22 return which was published during 2022-23. As noted in the Auditor Report last year, this notice was not correctly advertised therefore this question should have been answered 'No'.

The minute references appear to be entered incorrectly on the Annual Governance and Accountability Return on Section 1 and Section 2, as the minutes show that the Council approved Section 1 : Annual Governance Statement after Section 2 : Accounting Statements which is in breach of Section 6(4)(a) of The Accounts and Audit Regulations 2015, which requires Section 1 to be approved in advance of Section 2.

The Council should have answered 'No' to Box 7 of Section 1 of the Annual Governance and Accountability Return which relates to taking appropriate action on matters reported from internal and external audit.

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

Section 2 of the AGAR was initially submitted without Box 10 completed. This was later resubmitted with a '0' which was in line with our expectations and so there are no further concerns in this area.

The Internal Auditor has signed off the Annual Internal Audit Report 2022/23 after the Annual Governance and Accountability Return 2022/23 was approved. This means the completed 2022/23 report was not available for review and consideration with the form. For clarity, it is presumed that the statements in Section 1 Annual Governance Statement refer to the previous year's internal audit report.

The Council left a significant time period between approval of the Annual Governance and Accountability Return and the commencement of the Public Rights Period. The Audit and Accounts Regulations 2015, section 12 (3)(a) and proper practices require that following approval of the Return, the Public Rights Period should commence as soon as is reasonably practicable when taking into consideration the mandatory inclusion of the first 10 working days of July.

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

 MOORE

External Auditor Signature



Date

17/09/2023