

Section 3 - External Auditor Report and Certificate 2022/23

In respect of

Kingsbury 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 approved the final accounting statements section of the Annual Governance and Accountability Return after 30 June which does not comply with the Accounts and Audit Regulations 2015.

It was noted on review that the announcement and commencement of the Period for Public Rights was 38 days before the approval of Section 2 of the Annual Governance and Accountability Return. Regulation 12 – 15 of the Accounts and Audit Regulations 2015 set out the order required to be followed when approving, announcing and publishing the Return and related documents in order to satisfy the Public Rights requirements. The Return must be approved prior to the Notice being published. To be able to demonstrate this, proper practice requires that the Notice is published no sooner than the day following the approval meeting and the Public Rights period commences the next working day after that.

Section 14(1) of the Audit and Accounts Regulations 2015 requires the period of public rights should be a 'single period of 30 working days'. The Council provided a period of 29 working days in 2022-23 for the review of their records which is a breach of the regulation and the Council need to note this for completion of the governance assertions on the 2024 form. In future the council should ensure that it calculates and provides a period of precisely 30 working days.

The Council appears to have transitioned from the income and expenditure basis of accounts used previously to the receipts and payments basis. However, the figures have not been amended correctly. On initial submission, Box 1 of the current year did not agree to Box 7 of the prior year therefore showing an imbalance between the balance carried forward last year and brought forward this year. This was later resubmitted with these boxes balancing however the comparative column no longer adds down to Box 7 by £268. Furthermore, the prior year column is not marked as restated as is required by the Practitioners' Guide at paragraph 2.9a. Therefore, we would have also expected Assertion 1 on Section 1 Annual Governance Statement to be marked 'No'.

Section 2 Accounting Statements has not been correctly completed. Box 2 does not agree to the precept as it includes interest received. This should have been entered in Box 3 'Other receipts'. We would expect these figures to be restated on the next year's AGAR, and marked as such, to bring it to the attention of the reader. Box 2 should be £37,821 and Box 3 should be restated accordingly. We would expect this to be considered in the council's response to Assertion 3 on the 2023-24 return.

The Council originally answered 'N/A' to Assertion 9 on Section 1 Annual Governance Statement with regards to Trust disclosure. This was inconsistent with the answers on the Annual Internal Audit Report and Section 2 Account Statements. A revised Annual Governance and Accountability Return was provided by the Council amending Assertion 9 to answer "Yes" however Box 11b was amended from "Yes" to "N/A" therefore it is unclear whether the Council is a sole trustee and has correctly excluded any trust transactions from Section 2.

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

The council originally completed the AGAR Part 2 version of the Annual Governance and Accountability Return rather than an AGAR Part 3 and this would therefore have been published alongside the Notice of Public Rights. Whilst the forms are very similar and contain much of the same information, there are key differences. The council has now completed and resubmitted the AGAR on the Part 3 version of the form to satisfy this element of the regulations.

The AGAR Section 2 Statement of Accounts does not arithmetically add down to Box 7 by £1 when summed. When rounding the numbers for the Return care should be taken to ensure boxes 1-6 sum to box 7 and that box 7 agrees or reconciles to box 8 as is required.

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

The Notice of Public Rights document contains the incorrect External Auditor details, please ensure the form is appropriately completed in future.

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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

23/01/2024