

Section 3 - External Auditor Report and Certificate 2022/23

In respect of **Harpsden 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 on 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 published Notice of Public Rights requires the name, position and contact details of the person placing the notice, usually the RFO, to be entered at line 2(b) on the form and also at line 5 (e) to satisfy the Accounts and Audit Regulations 2015, Paragraph 15(2)(b). The Council should ensure this is fully completed in the future.

It was noted on review that the announcement of the Period for Public Rights was made prior to 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 no sooner than the next working day after that.

According to the minute references included on Sections 1 and 2, The Council approved Section 1 of the Annual Governance and Accountability Return after Section 2 which is in breach of Section 6(4)(a) of The Accounts and Audit Regulations 2015, which requires Section 1 to be before Section 2.

The Internal Auditor identified that a risk assessment was not properly undertaken and published as required of the Council during the year, however the Council has answered 'Yes' to Assertion 5 of Section 1 of the AGAR. The Council commented that the review would be looked at again, which suggests a 'No' response would have been more appropriate. On review of the published 2023 risk assessment this appears to be a single year issue.

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

It was noted in the prior year that the Council had not registered with HMRC to manage deductions in relation to PAYE / NI for its employees. The Internal Auditor has again noted that this was not done in the year but on the basis of the clerk's salary HMRC do not require this to be done. However, HMRC do require payroll records to be kept. On review of the 2023 risk assessment steps are to be taken to create such a record, therefore we do not anticipate this being an issue in the future.

On initial submission of the AGAR, question relating to the Council's status as a sole trustee on Sections 1 of the AGAR was unanswered. On query, this section was resubmitted with a N/A response which is consistent with the Internal Audit report and so deemed reasonable. We have no remaining concerns in this area.

Section 2 of the AGAR was initially submitted without Box 5 and 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.

Standard supporting information was not provided with the initial data submitted. It 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 column of 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 the Return sums correctly.

Section 2 of the AGAR was initially submitted without Box 8 completed for either period. This was resubmitted with the Box 8 complete, so we have no further concerns. The Council should ensure that all boxes are complete before submission.

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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

 MOORE

External Auditor Signature



Date

22/01/2024