

Section 3 - External Auditor Report and Certificate 2020/21

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 2021; 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 has answered 'Yes' to Assertion 4 of Section 1 of the AGAR despite the fact we reported in the prior year the Notice of Public Rights had not been published properly. This period fell during the current financial year and so we would have expected a 'No' answer to have been provided to this assertion.

The same error was noted in the prior year and not actioned so the Council should have also answered 'No' to Box 7 of Section 1 of the AGAR. This was raised as a requirement in the previous year and is therefore not the first period for which the Council has failed to address points raised to them from our External Audit.

The Internal Auditor Report, as well as noting the above point in relation to the public rights period, has also identified further areas for the Council to improve which we take note of and would expect to have been dealt with in the current year:

- Financial Regulations have not been reviewed since 2012. These should be reviewed annually.

- The Council has not properly registered with HMRC to manage deductions of PAYE / NI for its employees and must address this at the earliest opportunity.

Based on the Internal Auditor's findings the Council should have considered a 'No' answer for Boxes 1, 2 and 3 of Section 1 of the AGAR.

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

Section 2 of the AGAR was initially submitted with a signature in the box for the date of approval. This Section was resubmitted with a date that was consistent with other information and so we have no further concern in this area.

Box 9 of Section 1 was unanswered when initially submitted. This was also later resubmitted with an answer consistent with other areas on the AGAR which is satisfactory.

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We ~~certify~~ ~~do not 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 2021.

*We do not certify completion because:

External Auditor Name

 **MOORE**

External Auditor Signature



Date

23/09/2021