

Section 3 - External Auditor Report and Certificate 2023/24

In respect of Lea Marston 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

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<p>Except for the matters report 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.</p> <p>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.</p> <p>The inspection period for the exercise of electors' rights provided in respect of the 2023/24 AGAR does not include the first ten working days of July as specified in the Accounts and Audit Regulations, Part 15 (1). We would anticipate this being taken into account when completing Assertion 4 of the Annual Governance Statement on the 2024/24 AGAR.</p> <p>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 21 working days in 2023-24 for the review of their records which is a breach of the regulation, and we would anticipate the Council taking this into account when it completes Assertion 4 on its 2024/25 Annual Governance Statement. In future the council should ensure that it calculates and provides a period of precisely 30 working days.</p> <p>It was noted on review that the announcement of the Period for Public Rights was the same date as the approval of Section 2 of the Annual Governance and Accountability Return. Regulations 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, best practice is 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.</p> <p>We identified during our review of the Annual Governance and Accountability Return that box 9 of the prior year column (2023) on Section 2 - Accounting Statements did not agree to the figures provided on the 2022-23 form. No explanation was initially provided for these amendments but was later provided on request. The column has not been marked as 'Restated' to bring it to the attention of the reader. This is a breach of proper practices and as a result a 'No' response should have been provided at Assertion 3 on the 2023-24 Annual Governance Statement. As this is a repeat issue, the Council therefore should have answered 'No' to Assertion 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. As the figures for the 2024 year appear to be correctly stated we do not believe this should impact the 2024-25 return.</p> <p>On the original Section 2 - Accounting Statements submitted, the figures in Boxes 1-6 did not cast down to the figure in Box 7 with an imbalance shown of £566. Also, Box 1 of 2024 did not agree to Box 7 of 2023 as is required. The council amended the 2024 figures on Section 2 but this did still not arithmetically add down to Box 7 by £1 when summed. On further investigation, it was noted on the bank information provided closing bank balances totalled £88,329 as shown on the original submission in boxes 7 and 8. Therefore, Box 8 no longer agrees to supporting documentation.</p> <p>Section 2 Accounting Statements has not been correctly completed. Box 2 does not agree to the precept database provided to us. We have been unable to verify this further as insufficient information has been provided. In future any income which is not strictly 'Precept' even when it is received at the same time from the same source should be accounted for within box 3 'other income'.</p> <p>Section 16(1) of the Audit and Accounts Regulations 2015 requires the Notice of Conclusion of Audit to be published on the authority's website. In future, the Council should ensure that this notice is available on their website alongside the signed external audit report and the audited AGAR.</p>
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Other matters not affecting our opinion which we draw to the attention of the authority:
SEE CONTINUATION SHEET

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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 2024.

External Auditor Name



External Auditor Signature



Date

27/09/2024



Lea Marston Parish Council

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

The internal auditor has provided a 'not applicable' response at control objective O on the Annual Internal Audit Report which relates to whether the Council met its responsibilities as a trustee. We expected this assertion to be covered by the internal auditor and answered 'Yes' or 'No' to confirm whether the Council met the responsibilities as it is a sole trustee of Victory Hall. This is a repeat issue so please bring to the attention of the Internal Auditor.

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'. This is a repeat issue so please bring to the attention of the Internal Auditor.

Section 2 of the AGAR was initially submitted without the Trust Fund disclosures in Box 11a and Box 11b completed. This was later resubmitted with a 'Yes' answer to Box 11a and 'Yes' answer to Box 11b which was in line with our expectations and so there are no further concerns in this area.

The council has not provided the requested details regarding the significant income/expenditure in the year. In future, the council should ensure that all queries sent by the external auditor are responded to before the set deadline.

The internal auditor has provided a 'Yes' response at control objectives L and N on their report. This suggests that the Council correctly published all relevant documents on its website. As the Council currently has not published the Notice of Conclusion of Audit for 2022-23 or previous years, the answer to these points should have been 'No'.
