

## Section 3 – External Auditor’s Report and Certificate 2022/23

In respect of **Scrayingham Parish Council – NY0487**

### 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 2023; and
- confirms and provides assurance on those matters that are relevant to our duties and responsibilities as external auditors.

### 2 External auditor’s limited assurance opinion 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 (AGAR), in our opinion the information in Sections 1 and 2 of the AGAR is in accordance with 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.

Section 1, Assertion 2 and Assertion 5 has been incorrectly completed; it has been marked ‘Yes’ when it should be marked ‘No’. This is consistent with the Internal Auditor’s response to Internal Control Objective C.

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

The smaller authority has confirmed that it has not complied with the governance Assertions in Section 1, Boxes 1,3,4,6,7,8, but it has provided the appointed auditor with an adequate explanation for non-compliance and details of the actions necessary to address weaknesses identified.

In the prior year, the smaller authority did not submit an AGAR for our review and we issued a public interest report regarding this failure. As a result, we have not reviewed any evidence to support the prior year comparatives on the AGAR.

The smaller authority was issued a public interest report (PIR) for non-submission of the AGAR for the 2021/22 year on 12/04/23. Where a PIR is issued, the Local Audit and Accountability Act 2014 (the Act) requires the authority to consider the PIR at a public meeting within one month of the date it was issued. The Council has not provided the meeting minutes for this after they were requested.

The smaller authority did not arrange for an independent internal auditor to review the internal controls and give their conclusion in the Annual Internal Audit Report during 2022/23. In future years, the smaller authority must maintain an adequate and effective system of internal audit of the accounting records and control systems.

The smaller authority has not provided:

- an adequate explanation for the variance between the prior and current year values in Box 3 and 6 of Section 2;
- an adequate explanation for the inconsistency between Section 2, Boxes 3, 6 and 9
- a year end bank reconciliation in support of Section 2.

The smaller authority should ensure that it has regard to the level of reserves held when considering future precept requests. Any earmarked reserves should be considered and formally approved by the smaller authority.

### 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

**PKF LITTLEJOHN LLP**

External Auditor Signature

PKF Littlejohn LLP

Date

24/09/2023