

Section 3 – External Auditor Report and Certificate 2021/22

In respect of **Saxilby with Ingleby Parish Council – LI0307**

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 2022; 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 (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.

Annual Governance Statement: Section 1, Assertions 2, 3, 8 and 9 have been incorrectly completed, and should have been answered 'No', 'No', 'No' and 'N/A' respectively. Due to the ongoing issues in respect of its custodian trustee status, the Council has not complied with all the mandatory requirements of these governance assertions during 2021/22. We note that the Council is now in the process of completing a detailed set of actions to rectify these areas of non-compliance.

Accounting Statements: The AGAR was not accurately completed before submission for review. Please ensure that amendments are corrected in the prior year comparatives when completing next year's AGAR:

- Trust fund transactions and balances have not been excluded from the figures in Section 2. Information received indicates that assets for which the Council acts as custodian trustee have been incorrectly included in Section 2, Box 9.
- The precept figure published by the precepting authority was £207,360, this is the correct Box 2 figure.

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

In the completion of the Annual Internal Audit Report and their detailed report, the internal auditor has drawn attention to significant weaknesses in relation to the Council's trustee arrangements. The smaller authority must ensure that action is taken to address these areas of weakness in a timely manner. We note that the internal audit recommendations received by the Council at the year end are in the process of being actioned, with a comprehensive action plan including timescales for completion included.

We received challenge correspondence in relation to the 2021/22 AGAR which we considered before completing our work. The authority will receive an invoice in relation to this additional work.

The approval meeting date for Section 2 has been incorrectly recorded on the AGAR (it should show 21/6/22). The minutes of the meeting at which the AGAR was approved have been reviewed and demonstrate that Sections 1 and 2 have been approved in the correct order. The smaller authority should ensure that the correct dates are recorded on the AGAR in future. We note that the Council did not use the AGAR form initially for its accounting statements. The AGAR form approved by JPAG should always be used.

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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 2022.

External Auditor Name

PKF LITTLEJOHN LLP

External Auditor Signature

PKF Littlejohn LLP

Date

29/09/2022

* Note: the NAO issued guidance applicable to external auditors' work on limited assurance reviews in Auditor Guidance Note AGN/02. The AGN is available from the NAO website (www.nao.org.uk)