

## Section 3 – External Auditor Report and Certificate 2021/22

In respect of

Mosterton Parish Council – D00116

### 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.

### 2 External auditor report 2021/22

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.

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:

- Section 2, Box 7 for the prior year does not agree to Boxes 1+2+3-(4+5+6). The figure in Box 7 should read £31,205.
- Transfers between bank accounts should have been excluded from receipts and payments in Section 2. The figure in Box 6 should read £18,744.
- Section 2, Box 4 incorrectly includes items which are not staff costs as defined in the Joint Panel on Accountability and Governance Practitioners' Guide. Please note that Box 4 should comprise payments made in relation to the employment of staff including only gross salary, employers' national insurance contributions, employers' pension contributions, gratuities for employees or former employees and severance or terminations payments to employees. Employment expenses which are benefits (mileage, travel, etc.) and items of reimbursement of expenses for postage, stationery or other outlays made on behalf of the smaller authority are not staff costs for the purpose of completion of the AGAR in accordance with proper practice. The figures in Section 2, Boxes 4 and 6 should read £1,442 and £25,115 (respectively).

Information has come to our attention from the internal auditor highlighting the fact that the Notice of conclusion of audit and external auditor report and certificate were not published on the authority's website by the dates specified in the Accounts and Audit Regulations 2015.

Section 1, Assertion 2 has been incorrectly completed, the internal auditor stated that the cashbook was not balanced regularly, no invoices were authorised and bank reconciliations weren't carried out quarterly. This is consistent with the Internal Auditor's response to Internal Control Objectives A, B and I.

Section 1, Assertion 3 has been incorrectly completed, the internal auditor was unable to conclude whether returns were properly filed with HMRC. This is consistent with the Internal Auditor's response to Internal Control Objective G.

Section 1, Assertion 4 has been incorrectly completed, the internal auditor was unable to conclude whether public rights had been properly carried out. This is consistent with the Internal Auditor's response to Internal Control Objective N.

Section 1, Assertion 5 has been incorrectly completed, the internal auditor stated no review of risk management was carried out during the year. This is consistent with the Internal Auditor's response to Internal Control Objective C.

Section 1, Assertion 8 has been incorrectly completed, the internal auditor confirmed the smaller authority has not carried out budget setting procedures during 2021/22. This is consistent with the Internal Auditor's response to Internal Control Objective D.

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

In the prior year, the smaller authority was exempt from our review, thus we have not reviewed any evidence to support the prior year comparatives on the AGAR. The smaller authority has not provided:

### 3 External auditor certificate 2021/22

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

 SIGNATURE REQUIRED

Date

26/09/2022

\* 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](http://www.nao.org.uk))