

Section 3 – External Auditor Report and Certificate 2021/22

In respect of

Stanstead Parish Council – SF0349

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.

The smaller authority has failed to follow proper practices as it has completed, authorised and submitted an AGAR Form 3PM intended for use by Parish Meetings only, rather than an AGAR Form 3.

The balance brought forward from the previous year of £16,550 (Section 2, Box 1) does not agree to the prior year balance carried forward of £17,513 (Section 2, Box 7).

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 8 does not agree to the bank reconciliation submitted for review. The figure in Box 8 should read £26,763.

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, 5 and 7, but it has not provided the appointed auditor with an adequate explanation for non-compliance and details of the actions necessary to address weaknesses identified.

The smaller authority was issued a statutory recommendation and public interest report (PIR) for non-submission of the AGAR for the 2020/21 year on 22/09/2021 and 17/12/2021 respectively. Where a Statutory Recommendation and 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 Smaller Authority did not meet this requirement and has correctly answered 'No' to Section 1, Assertion 3

In completing an AGAR Form 3PM rather than an AGAR Form 3, the smaller authority has not provided the additional information required for AGAR Form 3 in respect of responses to Assertion 9 on the Annual Governance Statement; Box 11 on the Accounting Statements; and internal control objectives G, L & O in the Annual Internal Audit Report.

We note that the smaller authority did not comply with Regulation 15 of the Accounts and Audit Regulations 2015 as it failed to make proper provision during the year 2022/23 for the exercise of public rights, since period for the exercise of public rights did not include the first 10 working days of July. As a result, the smaller authority must answer 'No' to Assertion 4 of the Annual Governance Statement for 2022/23 and ensure that it makes proper provision for the exercise of public rights during 2023/24.

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.

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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



Date

17/02/2023

* 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)