Section 3 - External Auditor Report and Certificate 2023/24

In respect of **Ryhall 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

2 External auditor limited assurance opinion 2023/24

Except for the matters reported 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.

On review of information provided by the Council it appears that the Council's Internal Auditor has been involved with the preparation of the accounting statements during the 2023/24 financial year. Based on this, there is a perceived threat over independence. Since the Internal Auditor was involved with the preparation of the accounting statements, it appears difficult to justify how the Internal Auditor could be fully independent of the Council. Independence requires the absence of any actual or perceived risk and given the Internal Auditor's involvement in the preparation of the accounting statements, it is our view that regardless of any safeguards that may have been put in place to mitigate the actual risk, there remains at minimum, a perceived threat over independence. We point the Council in the direction of Paragraphs 4.9 - 4.11 of JPAG Practitioners' Guide 2023 in regards to the independence of the Internal Auditor. This suggests Assertion 6 on the Annual Governance Statement should have been answered 'No'.

As per the Accounts and Audit Regulations 2015, Part 15(2)(b), Councils subject to review must publish the 'Notice of Public Rights & Publication of Unaudited Annual Governance & Accountability Return' however the Council published the 'Notice of Public Rights & Publication of Annual Governance & Accountability Return (Exempt Authority)' incorrectly.

The External Auditors noted on the 2022-23 audit report that the Box 6 figure was expected to be restated to account for the VAT errors in the correct years. This has not been done. 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 issue creating the errors has been dealt with, we do not anticipate this being an issue in future years.

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

On the initial submission of Section 2 of the Annual Governance and Accountability Return there was a typographical error contained within Box 8 for the comparative year (figure should have read £58,679 but it read £58,674). The council confirmed this was an error and provided a copy of the balance sheet confirming the correct figure for Box 8 of 2023 is £58,679 which agrees to the value on prior year's audited return. The council were asked to amend Section 2 of the form but the wrong figure was entered as Box 8 was amended to £58,697. This is a clear transposition error as the correct figure in Box 8 should have been £58,679. When inputting the comparative numbers for the Return, care should be taken to ensure this agrees to the prior year's audited return accurately.

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'. We note that this is a repeated issue therefore please could the Council ensure the internal auditor is notified of this.

Incomplete information was provided with the initial supporting data submitted for review with regards to significant variances, which was later provided on request. The Parish Council should in future ensure that all the necessary supporting information is provided with their annual submission.

3 External auditor certificate 2023/24

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 MOORE

External Auditor Signature Moore Date 05/09/2024