

Section 3 – External Auditor Report and Certificate 2021/22

In respect of

Preston Parish Council – HU0189

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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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.

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

1. 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 the period for the exercise of public rights was less than 30 consecutive working days in length and 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.
2. The smaller authority has confirmed that it has not complied with the governance assertions in Section 1, Boxes 1 to 9, but it has provided the appointed auditor with an explanation for non-compliance and details of the actions necessary to address weaknesses identified which should be published.
3. The smaller authority failed to approve the AGAR in time to publish it before 1 July 2022, the date required by the Accounts and Audit Regulations 2015, and has disclosed this by answering 'No' to Section 1, Box 1.
4. In the completion of the Annual Internal Audit Report and their separate letter and checklist, the internal auditor has drawn attention to significant weaknesses in relation to all internal control objectives. The smaller authority must ensure that action is taken to address these areas of weakness in a timely manner.
5. The smaller authority was issued with a public interest report (PIR) for non-submission of the AGAR for the 2020/21 year on 17/12/2021. 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 smaller authority has confirmed that these requirements were not complied with and as stated above, has responded "No" to Section 1, Assertion 3. Further to this, as the smaller authority did not submit an AGAR for our review and we issued a public interest report in respect of this failure, we have not reviewed any evidence to support the prior year comparatives on the AGAR.
6. The smaller authority has not been able to provide an adequate explanation for the variance between the prior and current year values in Boxes 3 and 6 of Section 2.
7. We note that the Council is currently inquorate and that the Clerk is in correspondence with Electoral Services at the district council in respect of the process of electing and/or co-opting new members of the Council.
8. 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.

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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

30/05/2023

* 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)