

Section 3 – External Auditor Report and Certificate 2021/22

In respect of

East Peckham Parish Council – KE0087

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 AGAR has not been approved in accordance with the Accounts and Audit Regulations 2015:

- The minutes of the approval meeting indicate that the Council did not consider the responses to each governance assertion or the accounting statements before the AGAR was signed.

We note that the Council has not complied with its own financial regulations in respect of the documentation and publication with the minutes of payment approvals at each meeting. As a result, the response to Assertion 2 should have been 'No'.

We note that two of the balances given in the year end bank reconciliation that supports the figure shown in Section 2, Box 8 were not as at the year end date. We understand that the new RFO/Clerk has been unable to gain access to the NatWest bank account for over a year now but is expecting this to be resolved shortly. Please ensure that year end balances are obtained and used in future for all bank accounts.

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

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

The AGAR was not accurately completed before submission for review. The AGAR had to be sent back for amendment.

The smaller authority has explained that carried forward reserves are much greater than twice the annual precept income as most of the reserves are 'earmarked'; however, the new RFO/Clerk and councillors have not yet been able to establish from the records exactly what these funds have been set aside for. The RFO/Clerk will continue to investigate this prior to the budget setting process later on this year and in particular whether any of the reserves come from historic capital receipts.

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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)