

Final External Auditor Report and Certificate 2021/22 in respect of Middleton Cheney Parish Council NH0158

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.

External auditor report 2021/22

On 28 September 2022, we issued a report detailing the results of our limited assurance review of Sections 1 and 2 of this authority's Annual Governance & Accountability Return for the year ended 31 March 2022. We explained that we were unable to certify completion of the review at that time. We are now in a position to certify completion of the review.

The external auditor report given in Section 3 of the Annual Governance & Accountability Return requires amendments as follows:

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:

- Section 2 was not signed by the Responsible Finance Officer before approval.

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.:

- The smaller authority has confirmed there are errors in the values recorded against assets in the fixed asset register. The value in Section 2, Box 9 for both years is therefore incorrect. The smaller authority will be undertaking a review of its asset recording system to address the weaknesses and errors identified.

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

In the completion of the Annual Internal Audit Report, and their detailed report, the internal auditor has drawn attention to significant weaknesses in relation to internal control objectives B and D, in relation to the precept and budget setting process. The smaller authority must ensure that action is taken to address these areas of weakness in a timely manner.

The smaller authority has confirmed that it has not complied with the governance assertions in Section 1, Boxes 1, 2, 3, 5 and 7, but it has provided the appointed auditor with an adequate explanation for non-compliance and details of the actions necessary to address the weaknesses identified.

As a result of the weaknesses identified the smaller authority undertook an internal review of the precept and budget setting process. The review was approved under minute reference 21/811 and the findings published on the website. A statement from the Chair in relation to the findings was published 20 July 2021 and is also available on the council's website.

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

We received challenge correspondence in relation to the 2020/21 AGAR which we considered before completing our work. The authority will receive an invoice in relation to this additional work.

External auditor certificate 2021/22

We certify that we have completed our review of Sections 1 and 2 of the Annual Governance & Accountability Return, and discharged our responsibilities under the Local Audit and Accountability Act 2014, for the year ended 31 March 2022.



PKF Littlejohn LLP

21/02/2023