

Section 3 - External Auditor Report and Certificate 2022/23

In respect of

Sonning Common Parish Council

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 2023; 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, 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.

The inspection period for the exercise of electors' rights was set for 31 working days which is more than the mandatory 30 working days as set out in the Accounts and Audit Regulations 2015, Paragraph 14(1). Although this is considered to be a minor technical breach, given more than the standard amount of time was provided for, in future the Council should ensure it provides the precise public inspection period. We would anticipate the Council taking this into account when it completes Assertion 4 on its 2023/4 Annual Governance and Accountability Return. The Council should have answered 'No' to Assertion 4 on Section 1 of the AGAR due to the issue with the Period of Public Rights noted on last year's External Audit Report.

It was noted in the Internal Audit Report that the Council did not formally approve a budget prior to setting the Precept as required by paragraph 1.8 of JPAG Practitioners' Guide 2021. Therefore, since this is a breach of proper practices, we would have expected Assertion 3 on the Annual Governance Statement to be answered 'No'. The Council should note this action and ensure protocols are properly followed in future.

Section 1 Assertion 9 has been completed 'Yes' which states that the Council has met all of its responsibilities as sole trustee. We had cause to review the Charity Commission website in relation to other responses on the AGAR and noted that the council has not filed the Annual Return nor Accounts for the Village Hall for several years. This is a legal requirement for the trustees, which falls to the Council to fulfil. Therefore, the answer to Assertion 9 should have been 'No'. The council should look to rectify this position at its earliest opportunity.

Section 1 of the AGAR was completed as approved on 24 April 23 with a minute reference 23/135. Section 2 of the AGAR was dated on the same day and had the same minute reference. On investigation (due to the same minute references used), the agenda and minutes were found on the Parish Council's website. We noted that the agenda was revised and re-issued with new references ahead of the meeting and the references provided on the AGAR form related to the original agenda. As such, the minute references provided are incorrect. In addition, the agenda and minutes clearly show Section 1 was provided and approved at the meeting held on 24 April 2023 and recorded as minute item 24/006. However, the agenda only provided only Section 1 for review. Furthermore, the Report of the Parish Clerk stated that Section 2 would be provided for review and approval at the council meeting in May. On review of the May agenda and minutes there is provision nor other reference to Section 2 being reviewed and approved, instead this appears to have been completed at their meeting on 12 June 2023 at minute reference 24/029. We therefore believe the council's response to Assertions 1 and 3 should have been 'No'.

Regulation 12 of the Audit and Accounts Regulations 2015 requires the RFO to complete Section 2 of the Annual Governance and Accountability Return prior to passing it to the Council for its approval. This year, we have already established that the Council approved Section 2 of the AGAR at their meeting on 12 June 2023, which is before the RFO approval on 27 June 2023. This is a breach of this regulation. In future the Council should ensure the form is duly completed prior to it considering it for approval.

Section 2 of the AGAR was initially submitted without the Trust Fund disclosures in Boxes 11a and 11b completed. This was later resubmitted with a 'No' in Box 11a and a 'Yes' in Box 11b which was not in line with our knowledge of the council. The council is listed as sole trustee of Sonning Common Village Hall with the Charity Commission.

When the Section 2 of the AGAR was initially submitted, Box 9 for both current and comparative years had a value of £0 entered which is inconsistent with the 2021-22 AGAR. This was queried with the Parish Clerk who confirmed this was incorrect but the revised figures did not agree with the evidence provided. A revised AGAR has not been submitted. We would anticipate the 2023-24 AGAR to reflect the correct figures and for them to be marked as re-stated with an explanation to bring it to the attention of the reader.

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

Upon review, general reserves are being held at too low a level. The Council should keep this under review and ensure that they have sufficient general reserves to cover expenditure. Generally, this should be at least 0.5 times the precept as a minimum.

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.

The Internal Auditor has signed off the Annual Internal Audit Report 2022/23 after the Annual Governance and Accountability Return 2022/23 was approved. This means the completed 2022/23 report was not available for review and consideration with the form. For clarity, it is presumed that the statements in Section 1 Annual Governance Statement refer to the previous year's internal audit report.

The Internal Auditor should have answered 'No' to control objective M on the Annual Internal Audit Report due to the issue with the Period of Public Rights noted on last year's External Audit Report.

The internal auditor responded 'N/A' to Box O with regards to Trustee disclosures. This should have been marked 'Yes' because the Parish Council is a sole trustee.

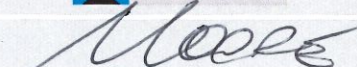
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We certify that we have completed our review of Sections 1 and 2 of the Annual Governance and Accountability Return, and discharged our responsibilities under the Local Audit and Accountability Act 2014, for the year ended 31 March 2023.

External Auditor Name

 MOORE

External Auditor Signature



Date

29/01/2024

Annual Governance and Accountability Return 2022/23 Part 3

Local Councils, Internal Drainage Boards and other Smaller Authorities*

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