

Section 3 - External Auditor Report and Certificate 2022/23

In respect of

Southam Town 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

2 External auditor report 2022/23

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.

Section 14(1) of the Audit and Accounts Regulations 2015 requires the period of public rights should be a 'single period of 30 working days'. The Council provided a period of 28 working days in 2022-23 for the review of their records which is a significant breach of the regulation and the Council need to note this for completion of the governance assertions on the 2024 form. In future the council should ensure that it calculates and provides a period of precisely 30 working days.

It was noted on review that the announcement and commencement of the Notice of Public Rights was on the same day as the approval of the Annual Governance and Accountability Return. Regulation 12 – 15 of the Accounts and Audit Regulations 2015 set out the order required to be followed when approving, announcing, and publishing the Return and related documents in order to satisfy the Public Rights requirements. The Return must be approved prior to the Notice being published. To be able to demonstrate this, proper practice requires that the Notice is published no sooner than the day following the approval meeting and the Public Rights period commences no sooner than the next working day after that.

It was also identified that the information required to be published with the Notice of Public Rights was not published onto the website until the commencement of the public rights period, which is not in accordance with Regulation 15 of the Accounts and Audit Regulations 2015.

In light of these 3 points, we would anticipate the council to provide a 'No' response to Assertion 4 on their 2024 Annual Governance Statement.

We identified during our review of the prior year External Auditor Report and Certificate that Box 9 of the prior year (2021-22) on Section 2 - Accounting Statements should have been restated. In reviewing the 2022-23 return we note that the prior year figures have not been amended and have not been marked as 'Restated' to bring it to the attention of the reader, which is a breach of proper practices and as a result a 'No' response should have been provided at assertion 7 on the 2022-23 Governance Statement.

As the figures for the 2023 year are correctly stated we do not believe this should impact the 2023-24 return.

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

Section 2 of the AGAR was initially submitted without the Trust Fund disclosure in Box 11a and Box 11b completed. This was later resubmitted with a 'No' answer to Box 11a and 'N/A' answer to Box 11b which was in line with our expectations and so there are no further concerns in this area.

The bank reconciliation originally provided did not equal Box 8 but has since been amended and the corrected version received and agreed.

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. It is presumed that the statements in Section 1 Annual Governance Statement refer to the previous year's internal audit report.

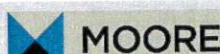
Incomplete information received with regards to significant variances. The parish council should in future ensure that significant variances are scheduled in their entirety. Explanations received and acceptable so no further concerns in this area.

It was noted that the copy of the Notice of Public Rights provided and published on the Council's website did not include the name of the Council. Please ensure in future the form is fully completed.

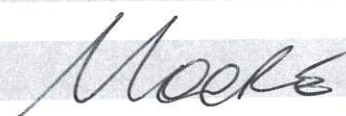
3 External auditor certificate 2022/23

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

18/08/2023