

Final External Auditor Report and Certificate 2021/22 in respect of Martock Parish Council – SO0179

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 27 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.

1. 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.
2. Section 1, Assertion 2 has been incorrectly answered, the correct response to this assertion should have been 'No'.
 - a) The smaller authority did not follow its Standing Orders since copies of confidential minutes and supporting documents had not been retained so could not be provided to the auditor when requested.
 - b) The smaller authority did not follow its financial regulations since full council did not approve all payments in line with FR 7.2 and 7.7.

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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 did not include the first 10 working days of July and the notice regarding the period for the exercise of public rights was not published before the start of the period. 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, 3 and 5 and it has not provided the appointed auditor with an adequate explanation for non-compliance and details of the actions necessary to address weaknesses identified.
3. In the completion of the Annual Internal Audit Report, the internal auditor has drawn attention to significant weaknesses in relation to Internal Control Objectives C and H since the Council did not review and adopt a risk assessment during the year, and the fixed asset register had not been updated during the year. The smaller authority must ensure that action is taken to address these areas of weakness in a timely manner.
4. The smaller authority has not provided a copy of the HR Committee terms of reference. This was requested as part of our challenge work.
5. 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 & Accountability Return, and discharged our responsibilities under the Local Audit and Accountability Act 2014, for the year ended 31 March 2022.

PKF Littlejohn LLP

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27/04/2023