

Final External Auditor Report and Certificate 2020/21 in respect of Scotter Parish Council LI0312

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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 2021; and
- confirms and provides assurance on those matters that are relevant to our duties and responsibilities as external auditors.

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On 29 September 2021, 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 2021. 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 was not accurately completed before submission for review.

- The balance brought forward from the previous year of £70,132 (Section 2, Box 1) does not agree to the prior year balance carried forward of £82,411 (Section 2, Box 7). The brought forward balance reflects the position as at 31 March 2020 but the Council has not restated the prior year comparatives.
- We note that the Council has correctly classified non-employee costs in the current year, but has not restated the prior year comparatives in Boxes 4 and 6.
- The smaller authority has not restated the 2019/20 figure when revaluing assets in Section 2, Box 9. Please note that the Practitioners' Guide allows smaller authorities to use any reasonable valuation method, provided that the prior year figure is restated for consistency and comparability.

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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 A,B,C,D,E,G,H,I,J,M, and N. 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, 1,2,3,4,5,6, and 8 but it has provided the appointed auditor with an adequate explanation for non-compliance and details of the actions necessary to address weaknesses identified. However, the smaller authority should have answered 'yes' to assertion 6 as the annual internal audit review did take place in October 2020.

The smaller authority should ensure that it has regard to the level of reserves held when considering future precept requests. Any earmarked reserves should be considered and formally approved by the smaller authority.

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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 2021.



PKF Littlejohn LLP

30/09/2021