

Section 3 – External Auditor’s Report and Certificate 2022/23

In respect of

Shorne Parish Council

1 Respective responsibilities of the auditor and the authority

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’s limited assurance opinion 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 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 Council has stated in Section 1, item 5, that it has carried out a risk assessment and taken appropriate action to manage those risks. However, no financial risk review has been carried out during 2022/23. The Council needs to ensure it carries out a comprehensive risk assessment for 2023/24.

The Internal Audit report identified significant weaknesses in internal control during 2022/23. However, the Council answered yes to assertion 2 of the annual governance statement. The Council should ensure that the recommendations in the internal audit report are implemented and consider answering no to assertion 2 of the 2023/24 annual governance statement if these weaknesses remained for a significant part of the 2023/24 financial year.

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

The Council holds general reserves of £119,181, compared to its annual precept of £42,230 and expenditure of £30,844. The Council has no powers to hold revenue reserves for general purposes other than for reasonable working capital and should consider earmarking funds for specific purposes.

In undertaking the review of the 2021/22 Annual Return it came to our attention that the Council had not met the requirements of the Accounts and Audit (England) Regulations 2015 in providing electors with a period of 30 working days to inspect the accounts. The Council correctly answered no to the relevant assertion in the 2022/23 Annual Governance Statement and has complied with the regulations in 2023.

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.

*We do not certify completion because:

Not applicable.

External Auditor Name

Mazars LLP, Newcastle upon Tyne, NE1 1DF

External Auditor Signature

Mazars LLP

Date

24 September 2023