

Section 3 – External Auditor Report and Certificate 2021/22

In respect of

Soulbury Parish council – BU0169

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 2022; 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 (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 fully or accurately completed before submission for review. Please ensure that amendments are corrected in the prior year comparatives when completing next year's AGAR:

- No figures have been included in the prior year comparative column of the AGAR. In the prior two years the smaller authority did not submit an AGAR for our review and we issued a public interest report regarding this failure. The smaller authority has confirmed that the prior year accounting records are unavailable and that it has not been possible to reconstruct the accounts for the prior year.
- Information received from the smaller authority indicates that the figure in Section 1, Box 1 for the current year is incorrect. The balance per the bank statement has been used as the opening balance but the bank reconciliation as at 31/03/21 shows unrepresented cheques of £3,656 and a reconciled balance of £46,602. The unrepresented cheques have been incorrectly accounted for in the current year. The figures in Section 1, Boxes 1 and 6 should read £46,602 and £23,069 respectively.

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

The smaller authority has confirmed that it has not complied with the governance assertions in Section 1, Boxes 3, 4 and 7, but it has provided the appointed auditor with an adequate explanation for non-compliance and details of the actions necessary to address weaknesses identified. In the completion of the Annual Internal Audit Report, the internal auditor has drawn attention to significant weaknesses in relation to payroll, the exercise of public rights and publication of documents which are consistent with the 'No' responses on the Annual Governance Statement. The smaller authority must ensure that action is taken to address these areas of weakness in a timely manner.

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.

As noted above, the smaller authority has been unable to reconstruct the prior year comparative figures and is therefore unable to provide an adequate explanation for the variances between the prior and current year values in Section 2. However, the smaller authority has provided a detailed breakdown of the current year figures.

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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 2022.

External Auditor Name

PKF LITTLEJOHN LLP

External Auditor Signature

PKF Littlejohn LLP

Date

04/09/2022

* Note: the NAO issued guidance applicable to external auditors' work on limited assurance reviews in Auditor Guidance Note AGN/02. The AGN is available from the NAO website (www.nao.org.uk)