

## Section 3 - External Auditor Report and Certificate 2023/24

In respect of

Welford-on-Avon 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 2024; and
- confirms and provides assurance on those matters that are relevant to our duties and responsibilities as external auditors

### 2 External auditor limited assurance opinion 2023/24

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.

The Council is required to approve Section 1 and 2 of the return individually in a specified order and the minutes should reflect this, however in the previous year the minutes did not record the approval of the AGAR form but rather the fact that the accounts figures had been reconciled to the AGAR. We therefore expected this to be reflected in a 'no' responses to Assertion 3 on the 2023-24 return.

It was noted on review that the Period for Public Rights commenced the same day as the approval of the Annual Governance and Accountability Return and that the announcement date was the day before approval and commencement. Regulations 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 and commence the day after that Notice is 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.

In addition, 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 29 working days in 2023-24 for the review of their records which is a breach of the regulations. In future the council should ensure that it calculates and provides a period of precisely 30 working days.

The published Notice of Public Rights requires the name, position and contact details of the person to contact to exercise public rights, usually the RFO, to be entered at line 2(b) on the form to satisfy the Accounts and Audit Regulations 2015, Paragraph 15(2)(b), suggesting that public rights have not been properly provided. Whilst we appreciate some of this information is included elsewhere on the form it is not sufficient to inform a member of the public who to contact to exercise their inspection rights. The Council should ensure this is fully completed in the future. As a result of these points above, we will anticipate a 'No' response to Assertion 4 when the 2024/25 AGAR is prepared.

Following a review of the Annual Audit section of the Council's website, it was noted that only the 2022/23 Report of the External Auditor was visible. Regulation 13 (1) states that the final audited Annual Governance and Accountability Return should, on conclusion of the audit, be available for public access for a period of 5 years. It must also be published on the Council's website although there is no minimum time requirement. Regulation 16 of the Accounts and Audit Regulations 2015 states that the notice of conclusion of audit should also be available on the Council's website. Since the 2022/23 notice of conclusion was not available on the website, we bring this to the attention of the Council to ensure online publications are reviewed and brought up to date as necessary.

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

See continuation sheet

### 3 External auditor certificate 2023/24

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 2024.

External Auditor Name



External Auditor Signature

A handwritten signature in dark ink, appearing to read 'Moore', written over a light blue background.

Date

10/09/2024



# Welford-on-Avon Parish Council

## External Auditor Report & Certificate 2023/24

### *Continuation Sheet*

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

The bank reconciliation was not provided on the initial submission, once received there were no issues noted. This is one of the supporting documents we require on the initial submission as per Paragraph 2.24 of JPAG Practitioners' Guide 2023 therefore please note this for the future.

On review, the council's general reserves are higher than the generally accepted level for smaller authorities. General reserves are the level of reserves after adjusting for any earmarked or ringfenced funds. The council informed us that the build-up of reserves is because an ongoing dispute with the village school and the pavilion. Per Paragraph 5.33 of JPAG Practitioners' Guide, best practice suggests that general reserves should cover at least 3 months of expenditure and anything greater than 12 months of expenditure is considered excessive. The council has assured us that plans are in place to reduce the level of reserves.

There is no supporting evidence to suggest that the internal auditor was (re-)appointed at a Parish Council meeting. In future, the Council should ensure that the internal auditor is (re-)appointed at a Full Council meeting and that this is documented clearly in the minutes of this meeting. We would expect this to be considered in the council's response to Assertion 3 on the 2024-25 return.

There is no evidence to suggest that the external audit report was considered and discussed by the Council. In future, all points raised on the external audit report should be considered, discussed and if necessary actioned at a meeting and clearly evidenced in the minutes of this meeting in line with best practice as suggested by Paragraph 5.98 of JPAG Practitioners' Guide 2023.

The Council's name was not entered on the Notice of Public Rights. We consider the omission to be trivial, however, the Parish Council should take care to ensure the form is fully completed in the future to ensure full compliance with the regulations and code of practice.

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