

Final External Auditor Report and Certificate 2023/24 in respect of Metheringham, Sots Hole & Tanvants Parish Council LI0248

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.

External auditor's limited assurance opinion 2023/24

On 26 September 2024, 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 2024. 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 has disclosed that it made proper provision during the year 2023/24 for the exercise of public rights, by answering 'Yes' to Section 1, Assertion 4. However, as was reported last year, we are aware that it failed to do this and therefore should have answered 'No' to this Assertion.
- 2) Section 1, Assertion 1 has been incorrectly completed. Information received from the internal auditor highlights that the smaller authority did not maintain adequate accounting records during the year, the cashbook was not, regularly updated and regular bank reconciliations were not carried out and there was a general lack of supporting documentation. In addition, the budgeting process was inadequate, the precept was set before the budget was approved by the smaller authority and there was a lack of budget monitoring during the year. As a result, this Assertion should have been answered 'No'. This is consistent with the Internal Auditor's response to Internal Control Objectives A, D and I on the Annual Internal Audit Report.

- 3) Section 1, Assertion 2 has been incorrectly completed. Information received from the internal auditor in their detailed report highlights that the smaller authority did not comply with its Financial Regulations in respect of procurement and the asset register was not reviewed in the year. As a result, this Assertion should have been answered 'No'. This is consistent with the Internal Auditor's response to Internal Control Objectives B and I in the Annual Internal Audit Report.
- 4) The AGAR was not accurately completed before submission for review. Please ensure that amendments are corrected in the prior year comparatives when completing next year's AGAR. Section 2, Box 9, total fixed assets has been incorrectly stated as zero for both the current and prior years. The smaller authority has confirmed that the current and prior year figures in Section 2, Box 9 should read £3,821,603 and £3,765,127 respectively.

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

- 1) The smaller authority has confirmed that it has not complied with the governance Assertions in Section 1, Boxes 3, 5 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.
- 2) 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 2024/25 for the exercise of public rights, since the period for the exercise of public rights was less than 30 consecutive working days in length and did not include the first 10 working days of July. As a result, the smaller authority must answer 'No' to Assertion 4 of the Annual Governance Statement for 2024/25 and ensure that it makes proper provision for the exercise of public rights during 2025/26.
- 3) The Annual Internal Audit Report focuses on a series of internal control objectives covering an authority's key financial and accounting systems and concludes whether, in all significant respects, the internal control objectives were being achieved throughout the financial year to a standard adequate to meet the needs of the authority. We note that the internal auditor has not provided a conclusion on the following internal control objectives: E and F in respect of income and petty cash. The Annual Internal Audit Report will inform the authority's response to Assertions 2 and 6 in the annual governance statement. As a result, the authority must ensure that assurance that has not been provided via these control objectives has been sought elsewhere.
- 4) The smaller authority has not provided:
 - a year end bank reconciliation in support of Section 2, Box 8;
 - an adequate explanation for the variance between the prior and current year values in Boxes 3 and 4 of Section 2.

External auditor certificate 2023/24

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 2024.

PKF Littlejohn LLP

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17/10/2025