

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

In respect of

Lower Beeding 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.

It appears the Council has not reviewed its Financial Regulations or Standing Orders during the financial year 2023/24. The Internal Auditor has identified that there is no minute evidence to support the last recorded review in January 2023 and that they appear not to have been updated to match the latest guidance available. Regular reviews of Financial Regulations and Standing Orders is expected based on Paragraph 1.14 and 1.24 of JPAG's Practitioner's Guide 2023. Best practice would be for an annual review however where a regular review is to be undertaken on a less frequent bases, we would suggest they are diarised to ensure they are completed on a regular basis and that any updates are not overlooked. Based on the above, the Council should have answered 'No' to Assertion 3 of the 2023/24 Annual Governance Statement.

Incomplete information was provided with the initial supporting data submitted for review with regards to significant variances, which was later provided on request.

Both of these issues were raised on the prior year's External Audit Report and hence these issues have not been appropriately actioned. The Council therefore should have answered 'No' to Assertion 7 of Section 1 of the Annual Governance and Accountability Return which relates to taking appropriate action on matters reported from internal and external audit.

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

Upon 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. 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.

Section 2 of the AGAR was initially submitted without the Trust Fund disclosures in Box 11a and Box 11b completed. This was later resubmitted with a 'No' answer to Box 11a and 'N/A' answer to Box 11b which was in line with our expectations and so there are no further concerns in this area.

### 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

 MOORE

External Auditor Signature



Date

17/09/2024