

Section 3 - External Auditor Report and Certificate 2019/20

In respect of

Aldingbourne Parish Council

1 Respective responsibilities of the body and the auditor

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 2020; and
- confirms and provides assurance on those matters that are relevant to our duties and responsibilities as external auditors.

Our responsibility is to review Sections 1 and 2 of the Annual Governance and Accountability Return in accordance with guidance issued by the National Audit Office (NAO) on behalf of the Comptroller and Auditor General (see note below). Our work **does not** constitute an audit carried out in accordance with International Standards on Auditing (UK and Ireland) and **does not** provide the same level of assurance that such an audit would do.

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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, 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 public rights period was not provided until 2022 which was after the latest commencement date of 1 September 2020. Therefore, the authority has again not properly provided electors with the opportunity to exercise their rights as a similar matter was noted in our report for the 2018/19 Annual Governance and Accountability Return. This suggests that the Council has not adequately satisfied Assertions 4 and 7 for the 2019/20 year as it had not properly provided the opportunity for the exercise of elector's right nor taken appropriate action on all matters raised in reports from internal and external audit. These are breaches to the Accounts and Audit Regulations 2015, Sections 12 and 15 as amended by the Accounts and Audit Regulations (Coronavirus)(Amendment) Regs 2020 and to proper practices and therefore we would have anticipated the Council to answering 'No' to these Assertions in Section 1. The Council needs to ensure it follows the requirements of the Accounts and Audit Regulations 2015 going forwards and should consider its responses to the assertions in Section 1 for its next return.

A single value should be entered into each box within Section 2 of the return. The council has also confirmed that the accounts are prepared on the Receipts and Payments basis. This leads us to the expectation that the values entered in box 7 and box 8 should be the same. On closer inspection it would appear that historically transfers of monies from the main bank account into high interest/investment accounts appears to have been recorded in box 6 of Section 2 of the AGAR. If these other accounts satisfy the description to have their closing balances included within box 7 then the re-deposited funds should also have been included within box 3. Box 7 should reflect the total balance of the four accounts which would equal box 8. If these account balances instead require to be included in box 9 of the Return then the return then box 8. We would expect the council to review its accounts and make corrective entries to the next return to be completed together with the required annotations and explanations.

Box 7 should be a simple sum of boxes 1 to 6. Box 8 should reflect the reconciled bank balances i.e. after accounting for any outstanding receipts and payments rather than the balance per the statement at the yearend date. Please refer to the Practitioners' Guide produced by JPAG for further guidance.

The return was approved on 1 September 2020 which is after the mandatory deadline of 31 August 2020 as required by the Accounts and Audit Regulations (Coronavirus)(Amendment) Regs 2020.

The Council has not published all required documents on their website for the 2020 yearend - including the Notice of Public Rights. Financial information is required to be published online annually and retained online for a period of at least 6 years.

An error was noted on the 2019 AGAR in relation to the value included in Box 10. This has been corrected within the comparative figures on the current year's Return but the Council has not marked this as restated as required by proper practices.

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

Internal Auditor has answered N/A for some matters which should have been answered as 'Not Covered'.

Internal Auditor has also answered one question on the Annual Internal Audit Report as to be checked by the external audit. We as external auditor are not responsible for completing control questions on the Annual Internal Audit Report.

The Internal Auditor has answered that the Council is not a Sole Trustee which does not accord with other information we have been provided with.

The Internal Auditor answered 'No' to Assertion H of the AIAR. This is due to the Council not updating asset values in the year. This had been planned but was delayed due to the coronavirus pandemic and will be completed in 2020/21.

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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 2020.

External Auditor Name

 MOORE

External Auditor Signature



Date

23/05/2022

*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)