

Section 3 – External Auditor’s Report and Certificate 2022/23

In respect of **EAST KESWICK PARISH COUNCIL – WY0029**

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 2023; and
- confirms and provides assurance on those matters that are relevant to our duties and responsibilities as external auditors.

2 External auditor’s limited assurance opinion 2022/23

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 smaller authority failed to approve the AGAR in time to publish it before 1 July 2023, the date required by the Accounts and Audit Regulations 2015, and did not disclose this by answering ‘No’ to Section 1, Box 1

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 2, the annual precept, does not agree to the figure published by the precepting authority. The figures in Boxes 2 and 3 should read £20,500 and £5,309 respectively. All grants, including Council Tax Support Grant, should be shown in Box 3, as per the guidance notes on the AGAR. In addition, the Council has not restated the prior year figures in Boxes 2 and 3, these figures should read £19,500 and £7,957 respectively.
- Section 2, Box 10 is inconsistent with the balance published by the Public Works Loan Board. The figure in Box 10 should read £21,978.

The smaller authority has disclosed that it made proper provision during the year 2022/23 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. It has also disclosed that it took appropriate action on all matters raised in reports from internal and external audit, by answering ‘Yes’ to Section 1, Assertion 7, which, on the basis of the above, is not correct.

Section 1, Assertion 2 has been incorrectly completed. Information received from the internal auditor highlights that the fixed asset register was out of date and VAT had not been accounted for appropriately 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 B and H. We understand that this has been rectified subsequently.

The smaller authority has not addressed the ‘except for’ matter raised by the external auditor when qualifying the prior year annual return. In the prior year the internal auditor was not independent of the smaller authority’s financial controls and procedures, in particular the completion of the 2021/22 AGAR and no further independent internal audit took place during the 2022/23 financial year. As reported last year the smaller authority should have answered ‘No’ to Assertion 6 as a result. In future years the smaller authority must maintain an independent system of internal audit of the accounting records and control systems.

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

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 2023/24 for the exercise of public rights, since the period for the exercise of public rights did not include the first 10 working days of July 2023. As a result, the smaller authority must answer ‘No’ to Assertion 4 of the Annual Governance Statement for 2023/24 and ensure that it makes proper provision for the exercise of public rights during 2024/25.

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.

3 External auditor certificate 2022/23

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 2023

External Auditor Name

PKF LITTLEJOHN LLP

External Auditor Signature

PKF Littlejohn LLP

Date

04/12/2025