

## Section 3 – External Auditor Report and Certificate 2019/20

In respect of **Ormesby St Margaret with Scrabby Parish Council – NO0336**

### 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 & Ireland) and **does not** provide the same level of assurance that such an audit would do.

### 2 External auditor report 2019/20

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 AGAR does not contain the minute reference of the approval by the smaller authority (Section 1 and 2), so it is not possible to determine whether Section 1 was approved prior to Section 2 in accordance with the Accounts and Audit Regulations 2015. The correct minute reference for Sections 1 and 2 are 9.5 and 9.6 respectively (14 July 2020)
2. The AGAR has not been signed in accordance with the Accounts and Audit Regulations 2015:
  - Section 1 and 2 was not signed by the Clerk and Responsible Finance Officer.

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

1. We note that the smaller authority did not comply with Regulation 15 of the Accounts and Audit Regulations 2015 as amended by SI 2020/404 the Accounts and Audit (Coronavirus) (Amendment) Regulations 2020 as it failed to make proper provision during the year 2020/21 for the exercise of public rights, since the period for the exercise of public rights did not start on or before 1 September 2020. As a result, the smaller authority must answer 'No' to Assertion 4 of the Annual Governance Statement for 2020/21 and ensure that it makes proper provision for the exercise of public rights during 2021/22.
2. We note that Sections 1 and 2 of the Annual Governance and Accountability Return were formally approved at a full council meeting on 14/7/2020 but that the public rights period did not commence until 11/09/2020. The period set is not strictly in contravention of the timing permitted under the legislation introduced as a result of Covid-19, but it should be noted that this year's extension to allow later public inspection was intended to allow for authorities who were not able to approve their AGAR until as late as the statutory deadline of 31 August 2020.  
Regulation 12 (3) of the Accounts and Audit Regs 2015 (signing and approval of the statement of accounts for Category 2 authorities) requires the Responsible Financial Officer, as soon as practicable after the date on which the authority complies with regulation 12 (2c) (re. accounts approved and signed following meeting), to do the following on behalf of the smaller authority:
  - a) commence the period for the exercise of public rights in accordance with regulation 14 and regulation 15; and
  - b) notify the local auditor of the date on which that period was so commenced.We fully appreciate the difficulties arising as a result of coronavirus restrictions; however, please consider the requirements of the Accounts and Audit Regulations 2015, when setting the date for the approval of the AGAR in relation to the public rights period in future years.
3. In the completion of the Annual Internal Audit Report, the internal auditor has drawn attention to significant weaknesses in relation to the council not reviewing their financial risk assessments. The smaller authority must ensure that action is taken to address these areas of weakness in a timely manner. This is consistent with the smaller authority's response to Section 1, Assertion 5.

### 3 External auditor certificate 2019/20

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

**PKF LITTLEJOHN LLP**

External Auditor Signature



Date

29/11/2020

\* Note: the NAO issued guidance applicable to external auditors' work on limited assurance reviews for 2019/20 in Auditor Guidance Note AGN/02. The AGN is available from the NAO website ([www.nao.org.uk](http://www.nao.org.uk))