

Final External Auditor Report and Certificate 2021/22 in respect of Ormesby St Margaret with Scratby Parish Council - NO0336

Respective responsibilities of the body and the auditor

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 2022; and
- confirms and provides assurance on those matters that are relevant to our duties and responsibilities as external auditors.

External auditor report 2021/22

On 28 September 2022, 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 2022. 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.

The smaller authority has not addressed the 'except for' matter raised by the external auditor when qualifying the prior year AGAR. The smaller authority has not restated the 2020/21 figure when revaluing assets in Section 2, Box 9, and the 2021/22 Section 2, Box 9 figure has also not been restated. Please note that the Practitioners' Guide allows smaller authorities to use any reasonable valuation method, provided that the prior year figure is restated for consistency and comparability.

The figures in Section 2, Boxes 2, 3, 4 & 10 of the prior year comparative column do not agree to the prior year final signed AGAR and no evidence was provided in explanation.

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

- The smaller authority has not provided an adequate explanation for the variance between the prior and current year values in Boxes 4 & 6 of Section 2.
- 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.
- The smaller authority has confirmed that it has not complied with the governance assertion in Section 1, Box 3, but it has not provided the appointed auditor with an adequate explanation for non-compliance and details of the actions necessary to address weaknesses identified.

External auditor certificate 2021/22

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 2022.

PKF Littlejohn LLP

PKF Littlejohn LLP**06/01/2023**