

Section 3 - External Auditor Report and Certificate 2022/23

In respect of

Oakham Town Council

1 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 2023; and
- confirms and provides assurance on those matters that are relevant to our duties and responsibilities as external auditors

2 External auditor report 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, 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 inspection period for the exercise of electors' rights was set for 31 working days which is more than the mandatory 30 working days as set out in the Accounts and Audit Regulations 2015, Paragraph 14(1). In future the Council should ensure it provides the precise public inspection period, as providing the incorrect period can cause other issues. We would anticipate the Council taking this into account when it completes Assertion 4 on its 2023-24 Annual Governance and Accountability Return.

The Council has answered 'Yes' to Box 4 of Section 1 of the Annual Governance and Accountability Return which relates to arrangements for effective financial management. The internal auditor has answered 'No' in relation to this. As effective financial management was not in place, this question should have been answered 'No'. Although we note steps are being taken to improve this situation.

The Council has answered 'No' to Box 5 of Section 1 of the Annual Governance and Accountability Return which relates to risk assessments. The internal auditor has answered 'Yes' to box C on the Annual Internal Audit Report in relation to this. From information provided the different responses appear to be due to the introduction/improvement of these systems still being completed.

Boxes 3 and 6 of the Accounting Statements Section 2 of the Annual Governance and Accountability Return for 2022 have been marked as restated. On review of the 2022 AGAR provided to us these appear unchanged, so it is unclear what has been restated.

The value in box 4 of Section 2 for the current year is incorrect as it contains a typographical error. This means the 2023 year does not sum down. This balance needs to be restated to £64,687 on the 2024 return and duly marked 'restated' in line with the JPAG Practitioners Guide. An explanation should also be provided with the 2024 return in relation to it.

During the current year fixed assets have been revalued for insurance purposes. The Practitioners Guide requires that this figure must be stated on the same basis for both the current year and the prior year. It appears that box 9 of Section 2 for the prior year has not been provided on the same basis as the current year and as a result that the figure in Box 9 for 2022 is incorrectly stated. As the figures for the 2023 year are correctly stated we do not believe this should impact the 2023-24 return.

It was identified during our review of the prior year External Auditor Report and Certificate that Box 10 of the prior year (2021-22) of Section 2 required to be restated when the current year return was prepared. In reviewing the 2022-23 return we note that the prior year figures have not been amended as required, which is a breach of proper practices and as a result a 'No' response should have been provided at assertions 1 and 7 on the 2022-23 Section 1 – Annual Governance Statement. As the figures for the 2023 year are correctly stated we do not believe this should impact the 2023-24 return.

Section 2 of the AGAR was initially submitted without the Trust Fund disclosure in Box 11a. This was later resubmitted, however box 11a was still left blank. We would have expected this to have been completed with a 'No' response to be in line with other information provided. In future, the council should ensure it completes all sections of the AGAR.

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


The Section 1 of the AGAR was originally submitted on a Form 2 instead of a Form 3. The correct form has been submitted.

The Council's name was not entered on Section 2 of the Annual Return on the initial submission. We consider the omission to be trivial, however, the Council should take care to ensure the form is fully completed in the future to ensure full compliance with the regulations and code of practice.

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

 MOORE

External Auditor Signature



Date

19/09/2023