

Section 3 – External Auditor's Report and Certificate 2021/22

In respect of

Denstone Parish Council

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 2022; 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 2021/22

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 *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.

See separate report

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

See separate report

3 External auditor certificate 2021/22

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 2022.

*We do not certify completion because:

Not applicable

External Auditor Name

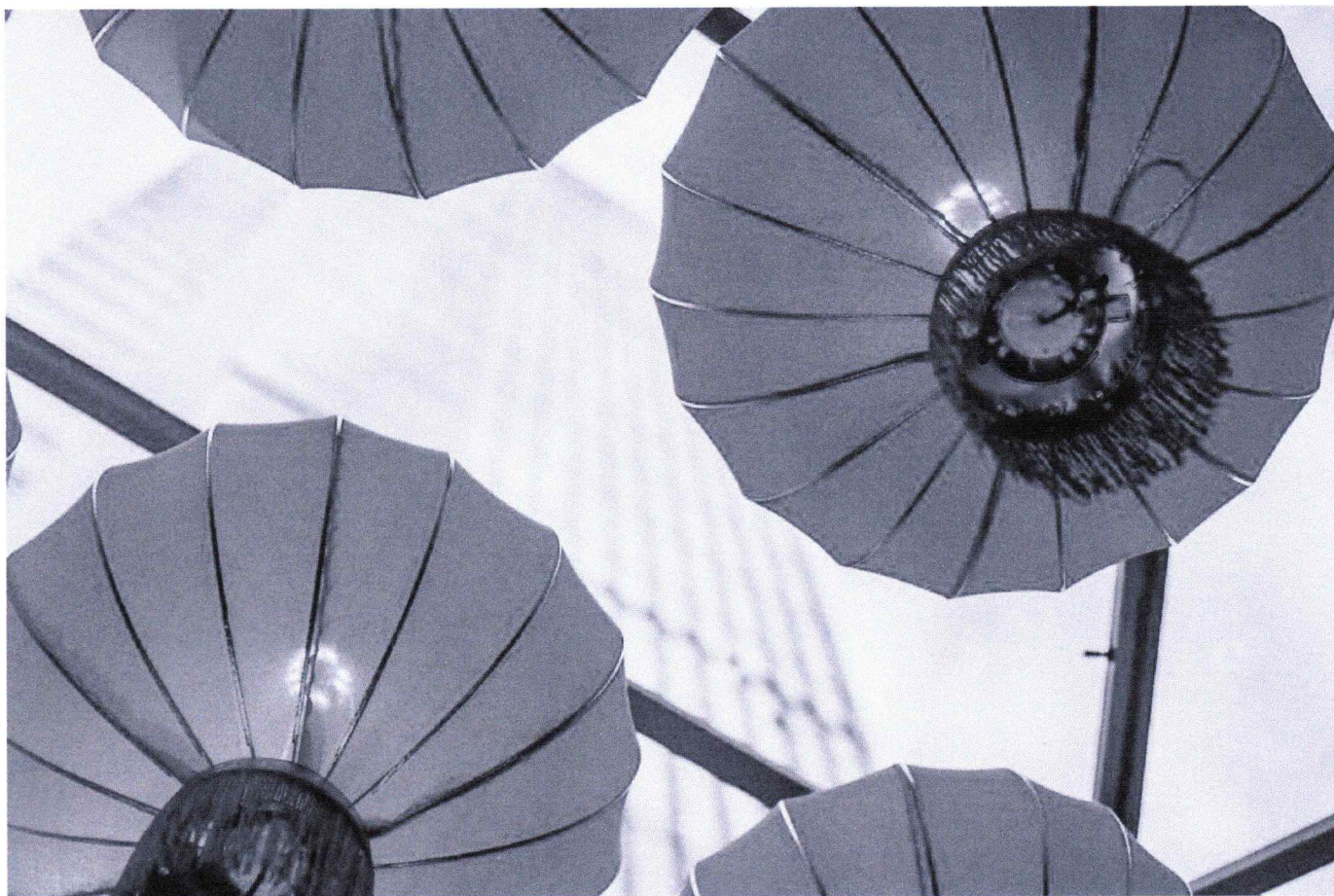
Mazars LLP, Newcastle, NE1 1DF

External Auditor Signature

Mazars LLP

Date

13 September 2022



Denstone Parish Council

**External Auditor Continuation Report
2021/2022**

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Introduction

This page is part of Section 3 – External Audit Report 2021/2022

The following matters have been raised to draw items to the attention of Denstone Parish Council. These matters came to the attention of Mazars LLP during the review of the Annual Governance and Accountability Report (AGAR) for the year ended 31 March 2022. This report must be presented alongside the AGAR to a full meeting of the smaller authority for review.

The review of the annual return may not disclose all shortcomings of the systems as some matters may not have come to the attention of the auditor. For this reason, the matters raised may not be the only ones that exist.

Except for the matters reported below on the basis of our review of the annual return, in our opinion the information in the annual return is in accordance with proper practices and no other matters have come to our attention giving cause for concern that relevant legislative and regulatory requirements have not been met.

The Council has declined to correct the following error at Section 2 of the Annual Governance and Accountability Return so the Annual Governance and Accountability Return has not been prepared in accordance with proper practices:

A) The date that the Responsible Financial Officer certified the Annual Governance and Accountability Return written was incorrect.

In 2022/23 the Council should ensure that the Annual Governance and Accountability Return is prepared in accordance with proper practices.

In undertaking the review of the 2021/22 Annual Return, we identified a significant weakness in the internal control during 2021/22 as VAT was not properly accounted for. However, the Council answered yes to assertion 2 of the annual governance statement. The Council should ensure that in future they only reclaim VAT on payments made directly by the Council and answer no to assertion 2 of the 2022/23 annual governance statement if this weakness remained for a significant part of the 2022/23 financial year.

The Council asserted in its Annual Governance Statement that during 2021/22 it provided proper opportunity for the exercise of public rights, but it did not publish the full 2020/21 audited AGAR with the external audit report on a free to access website in accordance with the Accounts and Audit Regulations (2015). In 2022/23 the Council needs to put in place arrangements to ensure that it fully complies with the Accounts and Audit Regulations.

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

The Council's financial regulations do not reflect current practices as the regulations cover arrangements for online payments that are not currently possible and do not cover arrangements when members or officers have to make online payments and reclaim the cost from the Council. The Council should either introduce electronic payment facilities that negate the need for this practice or review financial regulations in 2022/23 to ensure that they reflect the actual payment processes and controls in place.

In undertaking the review of the 2021/22 Annual Governance and Accountability Return it came to our attention that in 2022 the Council has not met the requirements of the 2015 Accounts and Audit Regulations to start the period of 30 working days for the public to inspect the accounts the day after the AGAR was published as the period started on the actual publication day. The Council should ensure that in 2022/23 they comply with the Regulations and respond no to the relevant assertion (assertion 4) in its 2022/23 Annual Governance Statement.

No other matters came to our attention.

For and on behalf of Mazars LLP

Date: 13 September 2022