

Section 3 – External Auditor’s Report and Certificate 2020/21

In respect of

Cornforth 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 2021; 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 2020/21

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.

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

We were required to return the Annual Governance and Accountability Return to enable the Council to correct the following:

A/ Initially an out of date cheque for £3,250 had been written off in 2020/21 but the credit wasn't reflected in other payments at Box 6 of section 2. As box 6 was overstated, there was an understatement in box 7 that caused a difference between boxes 7 and 8, although a receipts and payments accounting basis was used.

In future the Council should ensure that the Annual Governance and Accountability Return is accurate and complete.

The Council holds general reserves of £247,971 (excluding earmarked reserves of £86,000) compared to its annual precept of £81,635 and expenditure of £65,348. The earmarked reserves reflect committed expenditure on a major project now there is more certainty about costs and funding and as stated in the Internal Audit Report plans for further projects have not yet been formally considered. The Council has no powers to hold revenue reserves for general purposes other than for reasonable working capital and should consider earmarking additional funds for specific purposes. The Council did not provide the intermediate information requested for audit review by the agreed date. In future, the Council should ensure that all information requested for audit review is provided by the due date.

3 External auditor certificate 2020/21

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 2021.

*We do not certify completion because:

Not applicable

External Auditor Name

Mazars LLP, Newcastle, NE1 1DF

External Auditor Signature

Mazars LLP

Date

20 September 2021