Section 3 – External Auditor's Report and Certificate 2023/24

In respect of **Brundall Parish Council - NO0075**

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 2024; 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 2023/24

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 AGAR was not accurately completed before submission for review. Please ensure that amendments are corrected in the prior year comparatives when completing next year's AGAR. A loan balance due was deducted from CIL receipts and the net CIL receipt recorded in Box 3. The gross amount of CIL funds should have been recorded in Box 3 and the repayment of the capital included in Box 5. The figures in Section 2, Boxes 3 and 5 should read £704,255 and £195,183 (respectively).

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

None.

3 External auditor certificate 2023/24

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 2024.

External Auditor Name

PKF LITTLEJOHN LLP

External Auditor Signature PKF Littlejohn LLP

Date 28/08/2024

SMALLER AUTHORITIES	Reference **SBA.30**
	Period ended **31/3/2024**
EXCEPT FOR ISSUES	

Template wording for the external auditor certificate and report (Section 3)

These wordings are given for guidance only (and are reflective of AGN02 to the extent that document provides detail). The wordings may be tailored by the Engagement Lead to suit the individual findings on a case by case basis.

Except for the matters reported below, on the basis of our review of Sections 1 and 2 of the 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 smaller authority failed to approve the AGAR in time to publish it before 1 July 2024, the date required by the Accounts and Audit Regulations 2015, and did not disclose this by answering 'No' to Section 1, Box 1.

2. The AGAR has not been signed/approved in accordance with the Accounts and Audit Regulations 2015: [assertion 1]
   - The date/minute references indicate Section 2 was approved before Section 1 [and there are no minutes from the meeting where the AGAR was approved to enable us to verify the order of approval].
   - Section [1/2] was not signed by the [Chair/Clerk/Responsible Finance Officer].
   - Section 2 was not signed by the Responsible Finance Officer before approval.
   - The AGAR does not contain the [correct] minute reference and/or date of the approval by the smaller authority (Section 1/2), 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.

3. Information has come to our attention [from the internal auditor] highlighting the fact that [Sections 1 & 2 of the 20xx/xx AGAR/Notice of conclusion of audit/and external auditor report and certificate] was/were not published on the authority's website by the dates specified in the Accounts and Audit Regulations 2015. [assertion 4 (or 3)]

4. The smaller authority has disclosed that it complied with laws, regulations and proper practices during the year 2023/24, by answering 'Yes' to Section 1, Assertion 3. However, as was reported last year, we are aware that it failed to do this as it did not publish explanations for 'No' responses to the 2022/23 governance assertions and therefore should have answered 'No' to this Assertion. It has also disclosed that it took appropriate action on all matters raised in reports from internal and external audit, by answering 'Yes' to Section 1, Assertion 7, which, on the basis of the above, is not correct. [assertions 3 & 7]

5. The smaller authority has disclosed that it made proper provision during the year 2023/24 for the exercise of public rights, by answering 'Yes' to Section 1, Assertion 4. However, as was reported last year, we are aware that it failed to do this and therefore should have answered 'No' to this Assertion. It has also disclosed that it took appropriate action on all matters raised in reports from internal and external audit, by answering 'Yes' to Section 1, Assertion 7, which, on the basis of the above, is not correct. [assertions 4 & 7]

6. The smaller authority has not approved the AGAR in accordance with the Accounts and Audit Regulations 2015, since the approval took place prior to the year end. [assertion 1]

7. It has come to our attention that the Chair has temporarily been acting as RFO. Please ensure that an RFO is appointed in line with section 151 of the Local Government Act 1972 as soon as possible. [NB: THIS MATTER DOES NOT APPLY TO PARISH MEETINGS WHERE IT IS ACCEPTABLE FOR THE CHAIR ONLY TO SIGN THE AGAR.] [assertion 3]

8. The AGAR was not [fully and/or accurately] completed before submission for review. [Please ensure that amendments are corrected in the prior year comparatives when completing next year's AGAR.]:
   - Trust fund transactions and balances have not been excluded from the figures in Section 2. [accounts qualification, assertion 1] [N.B. THIS IS ONLY APPLICABLE WHERE THE SMALLER AUTHORITY DOES HAVE A SEPARATE BANK ACCOUNT OR THEY HAVE DON'T HAVE A SEPARATE BANK ACCOUNT AND ARE ON INCOME AND EXPENDITURE BASIS.]
   - [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 prior year figure when revaluing assets in Section 2, Box 9. 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. [accounts qualification, assertions 1 and 7] [NB: NOT APPLICABLE TO PARISH MEETINGS SINCE, TECHNICALLY, THEY CANNOT OWN ASSETS.]
   - Information received from the smaller authority indicates that assets purchased during the (prior) year have not been included in Section 2, Box 9. [accounts qualification, assertion 1] [NB: NOT APPLICABLE TO PARISH MEETINGS SINCE, TECHNICALLY, THEY CANNOT OWN ASSETS.]

- The figures in Boxes 1 to 7 should be stated net of VAT as the smaller authority prepares its AGAR on an income and expenditure basis. [accounts qualification, assertion 1]
- Section 2, Box 2, the annual precept, does not agree to the figure published by the precepting authority. The figures in Boxes 2 and 3 should read £X and £Y respectively. All grants, including Council Tax Support Grant, should be shown in Box 3, as per the guidance notes on the AGAR. [In addition, the Council has not restated the prior year figures in Boxes 2 and 3, as reported in the prior year External Auditor Report, these figures should read £Z and £W respectively]. [accounts qualification, assertion 1, assertion 7]
- Section 2, Box 10 is inconsistent with the balance published by the Public Works Loan Board [and/or third-party evidence from the loan provider]. The figure in Box 10 should read £XXX. [accounts qualification, assertion 1]
- Unpresented cheques are incorrectly omitted from the bank reconciliation and from expenditure in Section 2. The figures in Boxes 6, 7 and 8 should read £WWW, £XXX and £YYY respectively. [accounts qualification, assertion 1]
- Unpaid direct debits/standing orders as at the year end have been incorrectly included as items of expenditure and as reconciling items in the bank reconciliation. The figures in Section 2, Boxes 4, 6, 7 and 8 should read £VVV, £WWW, £XXX and £YYY respectively. [NB: ALL BOXES RELEVANT FOR R & P BASIS, JUST BOX 8 FOR I & E BASIS.] [accounts qualification, assertion 1]
- Credit card balances have been incorrectly included in Section 2, Box 8. [accounts qualification, assertion 1]

- The VAT debtor at the year end is incorrectly included on the bank reconciliation. The figures in Boxes 3, 7 and 8 should read £WWW, £XXX and £YYY (respectively). [R & P BASIS ONLY] [accounts qualification, assertion 1]
- Section 2, Box 8 does not agree to the bank reconciliation. The figure in Box 8 should read £XXX. [accounts qualification, assertion 1]
- Section 2, Box 7 for the current year/prior year does not agree to Boxes 1+2+3-(4+5+6) (and an adequate explanation has not been provided by the smaller authority). The figure in Box 7 for the current/prior year should read £XXX. [accounts qualification, assertion 1]
- Section 2, Box x is incorrect due to a transcription/typographical/transposition error and should read £xxx. [accounts qualification, assertion 1]

- The prior year accounts were prepared on an income and expenditure basis, but should have been restated on a receipts and payments basis in the prior year column of Section 2 for comparative purposes. [NB THE REVERSE MAY BE APPLICABLE] [accounts qualification, assertion 1]
- Transfers between bank accounts should have been excluded from receipts and payments in Section 2. The figures in Boxes 3 and 6 should read £XXX and £YYY respectively. [accounts qualification, assertion 1]
- Section 2, Box 4 incorrectly includes items which are not staff costs as defined in the Joint Panel on Accountability and Governance Practitioners' Guide. Please note that Box 4 should comprise payments made in relation to the employment of staff including only gross salary, employers' national insurance contributions, employers' pension contributions, gratuities for employees or former employees and severance or terminations payments to employees. Employment expenses which are benefits (mileage, travel, etc.), items of reimbursement of expenses for postage, stationery or other outlays made on behalf of the smaller authority, payroll processing costs and contractor/locum clerk costs in respect of individuals who are self-employed, ,are not staff costs for the purpose of completion of the AGAR in accordance with proper practice. The figures in Section 2, Boxes 4 and 6 should read £XXX and £YYY (respectively). [It was not clear from the information provided whether the classification of expenses has been carried out correctly. Please restate Boxes 4 and 6 in next year's prior year comparatives if appropriate.] [accounts qualification, assertion 1]
- The balance brought forward from the previous year of £X (Section 2, Box 1) does not agree to the prior year balance carried forward of £Y (Section 2, Box 7) and no evidence was provided in explanation when requested. [THIS WOULD ONLY BE WHERE SECTION 2, BOX 1 OF THE CURRENT YEAR WAS CORRECT] [accounts qualification, assertion 1]
- The figures in Section 2, Boxes 1/2/3/4/5/6/7/8/9/10 of the prior year comparative column do not agree to the prior year final signed AGAR and no evidence was provided in explanation when requested. [accounts qualification, assertion 1]
- Section 1/2, Box(es) X, Y and Z of the AGAR have not been completed. [NOT NIL BALANCES.] [assertion 1]
- Section 1, Box 9 and Section 2 Boxes 11a and 11b of the AGAR have not been completed. The smaller authority has confirmed that it is/is not a sole managing trustee and the responses should be 'yes/no/N/A', 'yes/no', 'yes/no/N/A' respectively. [assertion 1]
- The responses given in Section 1, Box 9 and Section 2, Boxes 11 (a) and (b) are not consistent. [ADD DETAIL] [LOCAL COUNCILS ONLY] [assertion 1]
- The response given in Section 2, Box 11 (a) is not consistent with the prior year response. The Council has confirmed that it does/does not act as sole managing trustee for trust funds and thus the answer given this year is incorrect. [LOCAL COUNCILS ONLY] [assertion 1]
- Information received from the smaller authority indicates £XXX of cancelled cheques have been included as income in Section 2, Box 3. These items should have been netted off from the relevant expenditure rather than shown as income. Box 3 for the current year should therefore read £YYY, with a corresponding total reduction of £XXX in Boxes 4, 5 and/or 6, depending on the nature of the original payments. [accounts qualification, assertion 1]
- The smaller authority has not accounted for refunds and reimbursements in accordance with the Joint Panel on Accountability and Governance Practitioners' Guide. Please note [refunds and reimbursements of amounts paid or received must always be reported gross in receipts and payments reporting in the AGAR.] [refund and reimbursements of amounts paid or received should only be reported net where the refund is paid to or received from the original payee/payer. Refunds

and reimbursements from third parties (e.g. insurance providers) should never be netted off but always reported gross.] Section 2, Boxes 3 and 6 should read £xxxx. [accounts qualification, assertion 1]

9. The smaller authority has not addressed the 'except for' matters raised by the external auditor when qualifying the prior year annual return. [ADD DETAILS] [assertion 7 plus other relevant assertion/s]

10. The smaller authority did not arrange for an independent internal auditor to review the internal controls and give their conclusion in the Annual Internal Audit Report during 2023/24 and did not disclose this by answering 'No' to Section 1, Box 6. [In future years, the smaller authority must maintain an adequate and effective system of internal audit of the accounting records and control systems.] [assertion 6] [NB: THIS EITHER REFERS TO THE YEAR END WORK PERFORMED ON THE 2022/23 AIAR OR INTERIM WORK PERFORMED ON THE 2023/24 AIAR; ADD ADDITIONAL BRACKETED SENTENCE ONLY IF NO AIAR COMPLETED ON THE 2023/24 AGAR AS WELL.] [If we raised this as an other matter last year, add the following] It has also disclosed that it took appropriate action on all matters raised in reports from internal and external audit, by answering 'Yes' to Section 1, Assertion 7, which is not correct. [assertion 7]

11. Information has come to our attention [from the internal auditor] highlighting the fact that the smaller authority does not have an email management system in place whereby it has an email account that belongs to the smaller authority and to which the smaller authority has access. . [assertion 3])

12. Section 1, Assertion [INSERT NUMBER] has been incorrectly completed, [ADD DETAIL]. This is consistent with the Internal Auditor's response to Internal Control Objective xx [assertion *]

13. Section 1, Assertion 9 has been incorrectly completed. (The smaller authority has confirmed/Information has come to our attention) that it has not met its responsibilities as a sole managing trustee during 2023/24. [ADD DETAIL] [assertion 9]

14. The smaller authority was issued a public interest report (PIR) (or statutory recommendation) for non-submission of the AGAR for the 2022/23 year on DD/MM/YY. Where a PIR is issued, the Local Audit and Accountability Act 2014 (the Act) requires the authority to consider the PIR at a public meeting within one month of the date it was issued. [ADD DETAIL] Hence the response to Section 1, Assertion 3 should have been "No". [assertion 3]

15. Section 2 has not been prepared in accordance with proper practices. [ADD DETAIL] [accounts qualification, assertion 1]

16. We note that amendments have been made in Section 2 of the AGAR and these have not been made to the version published on the smaller authority's website. [accounts qualification, assertion 1]

17. We note that one of the balances given in the year end bank reconciliation that supports the figure shown in Section 2, Box 8 was as at DD/MM/YYYY and not as at the year end date. Please ensure that year end balances are obtained and used in future. [accounts qualification, assertion 1]

18. The smaller authority has confirmed that it has not arranged for all members to complete and sign an acceptance of office form, as is required by Section 83(3) of the Local Government Act 1972 [and has not recognised this by answering 'No' to Section 1, Assertion 3]. [assertion 3]

19. The Parish Meeting has not complied with the statutory requirement to hold an annual assembly between 1st March and 1st June 2024, as is required by Schedule 12 Part III Section 14(1) of the Local Government Act 1972. [We note that the annual assembly was held on DD/MM/YY.] [PARISH MEETINGS ONLY] [assertion 3]

20. The smaller authority has not updated its Standing Orders and Financial Regulations since [INSERT DATE]. These should be formally reviewed on a regular basis. [assertion 2] [NB: EVERY 1-2 YEARS CAN BE CONSIDERED TO BE 'REGULARLY' IN THIS CONTEXT.]

21. Section 2 has not been prepared in accordance with proper practices. The income and expenditure basis must be used to prepare its accounts for the third and subsequent years that the income and/or expenditure exceeds £200k. Please ensure that the 2023/24 figures are restated in the prior year comparatives when completing next year's AGAR. [accounts qualification, assertion 1]

22. The smaller authority has redacted the signatures in Section(s) 1 and 2 of the AGAR submitted for review and, as a result, it has not been possible for us to conclude that the AGAR has been properly approved. Please ensure that the signatures on all AGARs submitted for review in future years are clearly visible. [assertion 1]

23. The smaller authority has confirmed that it owns fixed assets [ADD DETAIL IF KNOWN], but that the recognition policy for those assets is to value them all at £Nil. This policy does not give a reader of the Accounting Statements the ability to draw any meaning from the Box 9 figures stated on the AGAR or to recognise any changes in those assets year to year. The Practitioners' Guide (the Guide) states that smaller authorities 'need to apply a reasonable approach to asset valuation which is consistent from year to year'. Under this range of possible approaches, all assets are expected to carry some value, no matter how small. In particular, the Guide states that where assets are gifted at zero cost to the authority, they should be recorded at a nominal value of £1. The smaller authority should therefore reconsider the valuation policy for all fixed assets and draw up a policy to be approved by the authority and recorded in both

the authority's minutes and in the asset register. When submitting the 2024/25 AGAR, the smaller authority should ensure that the 2023/24 comparative figure in Box 9 is restated for consistency and comparability. [IF THE AUTHORITY CONFIRMS ASSETS ARE HELD AT £NIL] [accounts qualification, assertion 1]

24. The smaller authority has failed to follow proper practices as it has completed, authorised and submitted an AGAR Form 3PM intended for use by Parish Meetings only, rather than an AGAR Form 3. [assertion 1]

25. The smaller authority failed to publish the final signed AGAR by 30 September 2024, the date required by the Accounts and Audit Regulations 2015, (and did not disclose this by answering 'No' to Section 1, Box 1). [NB: ONLY INCLUDE WORDING IN BRACKETS IF THE SMALLER AUTHORITY APPROVED AGS AFTER 30 SEPTEMBER 2024] [ADD DETAILS] [assertion 1]
This is as a result of the AGAR and additional documentation not being submitted for review until DD/MM/YY and the appointed auditor not having then completed the review by this date. [and the smaller authority setting a period for the exercise of public rights that finished on DD/MM/YY meaning that the appointed auditor had to wait until after that date before the review could be completed.] [NB: ONLY FOR END OF PERIOD DATES ON OR AFTER 30 SEPTEMBER 2024]

26. Section 1, Assertion 9 has been incorrectly completed. The figures in Section 2 include transactions in respect of a trust fund due to the trust fund not having its own bank account and therefore the response to Section 1, Assertion 9 should be 'No'. The smaller authority should ensure that, where it acts as sole managing trustee, the trust has its own bank account and any minutes of meetings are maintained separately. [accounts qualification, assertion 1, assertion 9]

<u>LARGER SMALLER AUTHORITIES OVER £2M</u>

27. The smaller authority has not addressed the matters raised by the internal auditor in their prior year annual internal auditor report. [ADD DETAILS] [assertion 7 plus other relevant assertion(s)]

28. The smaller authority has confirmed that it did not satisfy itself with regard to the independence and/or competence of the internal auditor upon appointment/during the year under review. (assertion 6)

SMALLER AUTHORITIES

OTHER MATTERS

Template wording for the external auditor certificate and report (Section 3)

These wordings are given for guidance only (and are reflective of AGN02 to the extent that document provides detail). The wordings may be tailored by the Engagement Lead to suit the individual findings on a case by case basis.

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 it failed to make proper provision during the year 2024/25 for the exercise of public rights, since the [approval date was after the start of the period for the exercise of public rights/ period for the exercise of public rights was less than 30 consecutive working days in length/ period for the exercise of public rights did not include the first 10 working days of July / notice regarding the period for the exercise of public rights was not published before the start of the period/correct information was not published on a website as well as a noticeboard]. As a result, the smaller authority must answer 'No' to Assertion 4 of the Annual Governance Statement for 2024/25 and ensure that it makes proper provision for the exercise of public rights during 2025/26. [NB – REMEMBER THAT PARISH MEETINGS ARE ONLY REQUIRED TO ADVERTISE THEIR NOTICE OF PUBLIC RIGHTS SOMEWHERE WITHIN THE PARISH FOR A FORTNIGHT – SO SOME OF THIS DOESN'T APPLY IN PRACTICE TO A PARISH MEETING.]

2. The smaller authority has confirmed that it has not complied with the governance Assertion(s) in Section 1, Box(es) XYZ, but/and it has/has not provided the appointed auditor with an adequate explanation for non-compliance and details of the actions necessary to address weaknesses identified.

3. The smaller authority failed to approve the AGAR in time to publish it before 1 July 2024, the date required by the Accounts and Audit Regulations 2015, and disclosed this by answering 'No' to Section 1, Box 1. [ONLY USE THIS OM IF ASSERTION 1 IS 'NO', OTHERWISE IT IS AN EFM]

4. In the prior year, the smaller authority was exempt from our review, thus we have not reviewed any evidence to support the prior year comparatives on the AGAR.

5. In the prior year, the smaller authority did not submit an AGAR for our review and we issued a public interest report regarding this failure. As a result, we have not reviewed any evidence to support the prior year comparatives on the AGAR.

6. The smaller authority has not provided:

   - a year end bank reconciliation in support of Section 2, Box 8
   - an adequate explanation for the variance between the prior and current year values in Box X of Section 2
   - an adequate explanation for the difference between Boxes 7 and 8 of Section 2
   - a copy of its Section 48 notice for review, as requested in our instruction letter. [IDBs ONLY]
   - a reconciliation between the figure on its Section 48 notice and the figure in Section 2, Box 2 as requested in our instruction letter. [IDBs ONLY]
   - an adequate explanation as to why the trust fund entry/ies in Section 1, Box 9 and/or Section 2, Boxes 11 (a) or (b) of the AGAR vary from the entries in the prior year final signed AGAR
   - the required supporting documentation requested by the appointed auditor to allow for a review of the procedures deemed necessary to test Assertion(s) XYZ of the Annual Governance Statement. [ONLY APPLIES TO INTERMEDIATE REVIEWS]

7. In the completion of the Annual Internal Audit Report, and/or their detailed report(s), the internal auditor has drawn attention to [significant] weaknesses in relation to [ADD DETAILS]. The smaller authority must ensure that action is taken to address these areas of weakness in a timely manner. [IF AN EXCEPT FOR MATTER IS BEING RAISED IN RESPECT OF THIS WEAKNESS, THEN THIS CAN BE COMBINED WITH THE EXCEPT FOR MATTER, RATHER THAN RAISING A SEPARATE OTHER MATTER. SEE EXCEPT FOR MATTER NO. 10.]

8. The Annual Internal Audit Report has been completed on AGAR Form 3PM, which is designed for use by parish meetings only. Thus, the internal auditor has not given a conclusion on internal control objective G regarding employee costs.

9. The smaller authority has not arranged for an independent internal auditor to review the internal controls and give their conclusion in the Annual Internal Audit Report. If no internal audit work is carried out before 31 March 2025, it must disclose this by answering 'No' to Assertion 6 of the Annual Governance Statement on the 2024/25 AGAR. In future years, the smaller authority must maintain an adequate and effective system of internal audit of the accounting records and control systems. [NB: THIS IS IN RELATION TO THE 2023/24 AIAR.]

10. Information in Section X of the AGAR is inconsistent with information in Section Y and no evidence was provided in explanation when requested. [ADD DETAILS]

11. The Internal Auditor has not provided an explanation as to why the response to Objective M is not consistent with the information provided in Section 1, Assertion 4 and the prior year external auditor report. [IF OUR PRIOR YEAR REPORT HAS EXPLAINED WHY THE PUBLIC RIGHTS HAVE NOT BEEN CORRECTLY PROVIDED, WE SHOULD RELY ON THIS AND DOCUMENT THE INCONSISTENCY ON SBA.25 ONLY, NO OTHER MATTER REQUIRED IN THIS CIRCUMSTANCE.]

12. The internal auditor is not independent of the financial decision making, management and control of the smaller authority or of the authority's financial controls and procedures and the smaller authority must disclose this by answering 'No' to Assertion 6 of the Annual Governance Statement on the 2024/25 AGAR. In future years, the smaller authority must maintain an independent system of internal audit of the accounting records and control systems. [ADD DETAILS]

13. The AGAR was not [fully and/or accurately] completed before submission for review. The AGAR has been amended.

14. The Annual Internal Audit Report focuses on a series of internal control objectives covering an authority's key financial and accounting systems and concludes whether, in all significant respects, the internal control objectives were being achieved throughout the financial year to a standard adequate to meet the needs of the authority. We note that the internal auditor has not provided [a conclusion on the following internal control objectives: A/B/C/D/E/F/G/H/I/J/K/L/M/N/O in respect of [add detail]] or [an adequate explanation where the response given is 'No'/'Not covered']. The Annual Internal Audit Report will inform the authority's response to Assertions 2 and 6 in the annual governance statement. As a result, the authority must ensure that assurance that has not been provided via these control objectives has been sought elsewhere.

15. In completing an AGAR Form 3PM rather than an AGAR Form 3, the smaller authority has not disclosed the additional information required for AGAR Form 3. The smaller authority has confirmed that the responses to Assertion 9 on the Annual Governance Statement, Boxes 11 (a) and (b) on the Accounting Statements and internal control objectives G, L & O should be as follows.:

	2022/23	2023/24
Assertion 9 Annual Governance Statement		
Box 11 (a) Accounting Statements		
Box 11 (b) Accounting Statements		
Internal control objective G		
Internal control objective L		
Internal control objective O		

OR

In completing an AGAR Form 3PM rather than an AGAR Form 3, the smaller authority has not disclosed the additional information required for AGAR Form 3. The smaller authority has confirmed that the responses to Assertion 9 on the Annual Governance Statement and Boxes 11 (a) and (b) on the Accounting Statements should be as follows:

	2022/23	2023/24
Assertion 9 Annual Governance Statement		
Box 11 (a) Accounting Statements		
Box 11 (b) Accounting Statements		

The smaller authority has not been able to provide information in respect of the responses to internal control objectives G, L & O.

OR

In completing an AGAR Form 3PM rather than an AGAR Form 3, the smaller authority has not provided the additional information required for AGAR Form 3 in respect of responses to Assertion 9 on the Annual Governance Statement; Boxes 11 (a) and (b) on the Accounting Statements; and internal control objectives G, L & O in the Annual Internal Audit Report.

16. Information has come to our attention indicating that the smaller authority has not published explanations for the 'No' responses given in respect of Assertions [X, Y,…] on the Annual Governance Statement. Accordingly, the smaller authority must disclose this by responding 'No' to Assertion 3 of the Annual Governance Statement for 2024/25 and publish the reason for that 'No' response on its website when the 2024/25 AGAR is published.

17. We note that the Chair has signed Section 1/2 twice, as Clerk/RFO and as Chair. [If the Chair has been appointed as RFO, then it would be considered best practice for another member to sign on behalf of the smaller authority] [N.B. IF THE CHAIR HAS NOT BEEN FORMALLY APPOINTED AS RFO THEN CONSIDER RAISING AS EFM NO. 5]

18. We received challenge correspondence in relation to the 20XX/YY AGAR which we considered before completing our work. The authority will receive an invoice in relation to this additional work.

LARGER SMALLER AUTHORITIES OVER £2M

19. The smaller authority has not provided:

- a detailed internal audit report, as required under Auditor Guidance Note 02 for smaller authorities with income or expenditure over £2 million. [If the internal auditor has not issued a detailed internal auditor report, the smaller authority should request this in future years]

- evidence that it has considered the independence of the internal auditor during the year under review.

- evidence it has addressed the matters raised by the internal auditor in their prior year annual internal auditor report.

- evidence that it has considered and agreed the internal audit programme of work, having regard to the authority's identified risks, during the year under review.

- evidence that on appointment of the internal auditor, it satisfied itself with regard to the competence of the internal auditor and that there is a signed letter of engagement in place.

- year end bank statements to support the bank reconciliation to Section 2, Box 8, as required under Auditor Guidance Note 02 for smaller authorities with income or expenditure over £2 million.

20. The smaller authority has confirmed that it/It has come to our attention that the smaller authority has not considered and agreed the internal audit programme of work, having regard to the authority's identified risks, during the year under review.

21. The smaller authority has confirmed that it does not have a signed letter of engagement in place with the internal auditor.