

---- On Wed, 16 Oct 2024 11:10:16 +0100 **Kingshurst Parish Council**  
<[kingshurstparishcouncil@gmail.com](mailto:kingshurstparishcouncil@gmail.com)> wrote ---

Please find attached the External Audit report for **2022/23**. I would like to provide a brief summary of the key issues raised in the report:

1. **AGAR Completion:** We acknowledge that several parts of the AGAR were completed incorrectly. As a result, we made adjustments to our original submission. Moving forward, we will ensure that the appropriate forms and sections are completed correctly. The External Auditor referenced the internal audit report, which was shared with all councillors in June 2023. However, due to the delay in signing the AGAR by Ruth until 13/07/2023, it appeared that the Full Council had not seen the report, although it was indeed referenced and dated 16/06/2023.
2. **Pavilions Field Valuation:** There were references to the valuation of Pavilions Fields, and we will update the assets register accordingly.
3. **Pension Scheme:** This remains an ongoing issue that we continue to address.

It is important to note that the audit raised **no references to financial irregularities or mismanagement of accounts.**

#### **Comments from the Finance Chair: Cllr L Browning**

*"While there are areas for improvement in our AGAR process and some minor issues to be addressed, the External Audit has not raised any major concerns. I anticipate that similar issues will be highlighted in the 2023/24 external audit (currently pending), and we'll aim to fix these issues for the 2024/25 AGAR submission.*

*Recognition should also be given to our clerk, Paula, for her excellent work in meeting the AGAR deadlines, especially as the first Responsible Financial Officer (RFO) in at least five years to secure a finalized external audit report. This was achieved despite the challenging environment, including incidents of bullying and harassment during the 2022/23 period."*

#### **Personal Thanks to Cllr Browning:**

I would also like to personally thank Cllr Browning for all the hard work and countless unpaid hours spent ensuring our accounts were manageable after inheriting a difficult financial situation. His dedication and support have been invaluable in bringing our finances back on track.

We should celebrate the successful conclusion of the long-awaited 2022/23 external audit A significant accomplishment!

Paula Coyle

Clerk to Kingshurst Parish Council

07865 294345

## Section 3 - External Auditor Report and Certificate 2022/23

In respect of **Kingshurst Parish 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 Council has answered 'Yes' to Box 4 of Section 1 of the Annual Governance and Accountability Return which relates to how the Notice of Public Rights was advertised within the financial year 2022-23 which relates to the Notice announcing the public right to review the 2021-22 return which was published during 2022-23. As noted in the Auditor Report last year, this notice was not correctly advertised therefore we would have anticipated this to have been answered 'No'. Last year the External Auditor reported on the same matter, therefore the council should have reported a 'No' response at Assertion 7."

Section 12 of the Audit and Accounts Regulations 2015 requires the RFO to complete Section 2 of the Annual Governance and Accountability Return prior to passing it to the Council for its approval. This year, the Council approved Section 2 of the AGAR on 18 May, before the RFO approval on 18 July which is a breach of this regulation. In future the Council should ensure the form is duly completed prior to it considering it for approval.

Following a review of the minutes due to the references at Section 1 and Section 2 being the same, it was noted that the minutes did not record the approval of the AGAR form but rather the fact that the Standing Orders and Financial Regulations be reviewed. It should be noted that the Council is required to approve Section 1 and 2 of the return individually in a specified order and the minutes should reflect this. It is also the requirement of the Accounts and Audit Regulations 2015 that Section 1 is approved before Section 2. We would expect to see this rectified during the approval process for the 2023-24 return and we would anticipate this being taken into consideration when completing Assertion 3 of Section 1 of the 2023-24 form.

The council has confirmed that the current year figure in Section 2, Box 9 has been revalued to show land valued at £1. Therefore, it is not provided on the same basis as its comparative figure. Please note the Practitioners' Guide allows smaller authorities to use any reasonable valuation method, provided both years are calculated on the same basis for consistency and comparability. Where there is a change of basis from one year to the next, the prior year figure should be restated.

During our review it was brought to our attention that the clerk has not been enrolled into the council's pension scheme. This is a failure to follow all necessary laws and regulations. The internal auditor also noted this point in their report. As a result, we would have expected Assertion 3 to have a 'No' response. We have already issued recommendations under Section 27 in relation to governance failures within payroll and HR. We understand that the pension enrolment is in the process of being rectified however the Pensions Regulator may issue a penalty and/or levy interest charges in respect of this matter. We require the council to keep us informed of progress in this matter until it is properly concluded.

It was noted during the review process that the council has included allowances for councillors in Box 4 (Staff Costs). As Councillors are not employees we would have expected this to be included in Box 6 (Total Other Payments).

The Annual Internal Audit Report has answered 'No' to control objective C regarding a risk assessment being carried out in the year. This indicates that Assertion 5 on Section 1 should have been answered 'No'.

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

The Council originally completed the wrong AGAR form; a form 3PM was used which is for Parish Meetings. As the authority is a Parish Council it is required that a form 3 is used. The correct form has now been submitted.

Section 2 of the AGAR was initially submitted without the Trust Fund disclosures in Box 11a and 11b completed. This was later resubmitted with a 'No' answer to Box 11a and 'N/A' answer to Box 11b which was in line with our expectations and so there are no further concerns in this area.

Incomplete information was provided with the initial supporting data submitted for review with regards to significant variances, which was later provided on request. The parish council should in future ensure that all the necessary supporting information is provided with their annual submission.

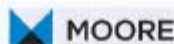
The original Section 2 Accounting Statements form included an incorrect number at Box 4 and Box 6 for the prior year. The appropriate adjustments have been made on the face of the AGAR and marked as restated and so we have no further concerns in this respect.

The Internal Auditor has signed off the Annual Internal Audit Report 2022/23 after the Section 1 Governance Statement 2022/23 was approved. This means the completed 2022/23 report was not available for review and consideration with the form. It is presumed that the statements in Section 1 Annual Governance Statement refer to the previous year's internal audit report.

### 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



External Auditor Signature

Date

08/10/2024

Annual Governance and Accountability Return 2022/23 Part 3  
Local Councils, Internal Drainage Boards and other Smaller Authorities\*

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