

## Section 3 – External Auditor’s Report and Certificate 2022/23

In respect of

Hopton and Coton 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 2023; 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 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 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 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.

\*We do not certify completion because:

Not applicable.

External Auditor Name

Mazars LLP, Newcastle upon Tyne, NE1 1DF

External Auditor Signature

Mazars LLP

Date

28 September 2023



Hopton and Coton Parish Council  
**External Auditor Continuation Report  
2022/2023**

## Introduction

### This page is part of Section 3 – External Audit Report 2022/2023

The following matters have been raised to draw items to the attention of Hopton and Coton 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 2023. 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 not fully implemented recommendations made in 2021/22 internal audit reports. For example, the internal auditor recommended regular bank reconciliations in 2021/22 and repeated the recommendation in 2022/23. The Council answered yes to the relevant assertion in the 2022/23 Annual Governance Statement (assertion 7), claiming it has taken appropriate action in respect of audit reports. In future, the Council should ensure that appropriate action in response to audit recommendations is taken within a reasonable time.

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

In undertaking the review of the 2021/22 Annual Return it came to our attention that the Council had not met the requirements of the Accounts and Audit (England) Regulations 2015 in providing electors with a period of 30 working days to inspect the accounts. The Council correctly answered no to the relevant assertion (assertion 4) in the 2022/23 Annual Governance Statement.

Internal audit reported that there was insufficient evidence of the Council monitoring actual performance against budget during the year as required by Proper Practice, and the budget was considered after the precept had been set. However, the Council correctly answered no to assertion 1 of the Annual Governance Statement, indicating that financial management was inadequate. In future, the Council should receive budget monitoring reports at least quarterly and minute its consideration as well as ensuring a detailed budget report is discussed at the meeting approving the precept..

The 2022/23 internal audit report identified significant weaknesses in internal control and governance. For example, financial regulations were breached regarding payment authorisation. However, the Council has correctly answered no to assertion 2 in its annual governance statement. The Council should ensure that it implements internal audit recommendations promptly.

As acknowledged in the Annual Governance Statement at Section 1 (assertion 5) and the Internal Audit report, the Council has not carried out a formal assessment of its risks in 2022/23. In future

the Council needs to ensure that it carries out an annual assessment of the risks it faces and identify appropriate mitigating actions.

The Council holds general reserves of £73,834) compared to its annual precept of £37,407 and expenditure of £16,076. The Council has no powers to hold revenue reserves for general purposes other than for reasonable working capital and should consider earmarking funds for specific purposes.

No other matters came to our attention.

**For and on behalf of Mazars LLP**

Date: 28 September 2023

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