

Section 3 - External Auditor Report and Certificate 2019/20

In respect of **Broadbridge Heath Parish Council**

1 Respective responsibilities of the body and the auditor

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 2020; and
- confirms and provides assurance on those matters that are relevant to our duties and responsibilities as external auditors.

Our responsibility is to review Sections 1 and 2 of the Annual Governance and Accountability Return in accordance with guidance issued by the National Audit Office (NAO) on behalf of the Comptroller and Auditor General (see note below). Our work **does not** constitute an audit carried out in accordance with International Standards on Auditing (UK and Ireland) and **does not** provide the same level of assurance that such an audit would do.

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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 provided a narrative explanation for the movement in Box 4 of Section 2 of the Return compared to the prior year but did not quantify the amount involved. Therefore, whilst we accept the explanation provided, in future we will require the variances to be quantified as required by proper practices to assist our review process.

The Council transitioned from the receipts and payments basis of accounts to the income and expenditure basis, as required for a Council of this size. Where this happens, proper practices, as set out in the JPAG Practitioners' Guide at 2.10, require the authority to revise its figures for comparative year when completing its Annual Governance and Accountability Return, to show both years on the same accounting basis. The revised column should also be marked as 'Restated' with notification to the auditor of the changes. The Council has not revised its comparative figures, therefore the results for the current year are not provided on a comparable basis with the prior year, and has therefore not followed proper practices.

The Council has not reviewed the Financial Regulations or Standing Orders within the year or for the past 2 years. Regular review of these areas is required by the JPAG Practitioners' Guide, Section 1.14. The Council has identified this and has brought them for review in the June 2020 meeting.

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

The Annual Internal Audit Report was submitted by the council without the signature of the Internal Auditor.

The Council has not reviewed the code of Conduct to ensure it is fit for purpose within the year. Although this is not a breach of regulation, it is considered best practice to also consider this regularly.

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We certify/ ~~do not 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 2020.

*We do not certify completion because:

External Auditor Name



External Auditor Signature

Moore

Date

27/11/2020

*Note: the NAO issued guidance applicable to external auditors' work on limited assurance reviews in Auditor Guidance Note AGN/02. The AGN is available from the NAO website (www.nao.org.uk)