

Section 3 - External Auditor Report and Certificate 2020/21

In respect of **Midhurst Town 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 2021; and
- confirms and provides assurance on those matters that are relevant to our duties and responsibilities as external auditors

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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 was requested to provide a minute showing where the prior year's External Audit report was considered by the Council as part of our intermediate review testing. The clerk explained that a specific minute could not be found and so there is no evidence that the report was properly considered by the Council. The Council should ensure that any Internal or External Audit report is properly considered and minuted - even where no points are raised. Failure to consider the report by the Council also suggests the answer to Box 7 of Section 1 of the AGAR should have been answered 'No'.

In our 2019/20 report it was noted there was an error in the Public Rights period given. As this period fell during the 2020/21 year we would have expected the answer to Box 4 of Section 1 of the AGAR to have been 'No'.

The Council restated some of the figures included in the prior year and has identified this on the comparative column of Section 2 of the AGAR however in doing so they have included both the updated and prior figures without indicating which are correct. As a result, the comparative column of Section 2 are not stated in accordance with proper practice.

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

As a result of the Public Rights point raised above, we would also have expected the Internal Auditor to have answered 'No' to Assertion M on the Annual Internal Audit Report.

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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 2021.

*We do not certify completion because:

External Auditor Name

 **MOORE**

External Auditor Signature



Date

22/09/2021