

## Section 3 - External Auditor Report and Certificate 2021/22

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 2022; and
- confirms and provides assurance on those matters that are relevant to our duties and responsibilities as external auditors

### 2 External auditor report 2021/22

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.

As part of the intermediate review testing we requested the Council to provide a minute showing that the prior year's External Audit report was considered by the Council. On receipt of the information there was no minute evidence provided which shows that the Council considered such report therefore an investigation of the minutes on the Council's website took place in which no evidence could be found. The Council should ensure that both the Internal and External Audit reports are being properly considered and minuted even if no points are raised. This is a repeated error from the prior year's report and failure to consider the report by the Council suggests that Box 7 of the Annual Governance Statement should have been answered 'No'.

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

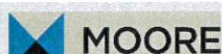
In completing our review we needed to consider whether or not the council was satisfying the requirement to perform regular reviews on its governing policy documents such as the Code of Conduct and the Financial Regulations. The council has explained their procedure is for the clerk to constantly monitor for any legislative changes etc. bringing any to the attention of the Council leading to reviews and updates of the various documents. However, with there being no maximum fixed period between reviews there is a risk that items will be missed or overlooked. We would therefore suggest that a regular review process is introduced for all such documents to ensure this cannot happen.

### 3 External auditor certificate 2021/22

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 2022.

\*We do not certify completion because:

External Auditor Name



External Auditor Signature

Date

28/09/2022