

From: Council Audits <councilaudits@bdo.co.uk>

Sent: Monday, September 25, 2023 3:04 PM

To: Jo Cahill <finance@fair oak-pc.gov.uk>

Subject: Fair Oak and Horton Heath Parish Council - Conclusion of annual review 2022-23 (Invoice to follow)

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Dear Ms Cahill

We have completed our review of the Annual Governance and Accountability Return (AGAR) for Fair Oak and Horton Heath Parish Council for the year ended 31 March 2023.

Please find attached the following documents:

- A copy of sections 1 and 2 of the AGAR on which our report is based along with our external auditor report and certificate (Section 3 of the AGAR form 3).
- Notice of conclusion template
- Fee note (To follow)

The external auditor report and certificate details any matters arising from the review. The smaller authority must consider these matters and decide what, if any, action is required.

Action you are required to take at the conclusion of the review

The Accounts and Audit Regulations 2015 (SI 2015/234) set out what you must do at the conclusion of the review. In summary, you are required to:

- Prepare a "Notice of conclusion of audit" which details the rights of inspection, in line with the statutory requirements. Attached is word template for you to use.
- Publish the Notice of conclusion along with the certified AGAR (sections 1, 2 and 3) before **30 September** which must include publication on the smaller authority's website.
- Keep copies of the AGAR available for purchase by any person on payment of a reasonable sum.
- Ensure that sections 1, 2 and 3 of the published AGAR remain available for public access for a period of not less than 5 years from the date of publication.

Fee

Our fee note will follow in due course, to avoid any delay in issuing your completed AGAR.

Attached is our fee note, which is in accordance with the fee scales set by Smaller Authorities' Audit Appointments Limited (SAAA) which can be found at <https://www.saaa.co.uk/audit-fees/>. Please arrange for payment within 14 days. The invoice details how to make payment via Bank transfer or by cheque.

- If paying by BACS, please quote your invoice number.
- If paying by cheque, please send with a copy of your invoice to BDO LLP, Central Finance Team, 2 City Place, Beehive Ring Road, Gatwick, West Sussex, RH6 0PA. Please do not send cheques to the Southampton office.

Please note a statement will be issued after 7 days from the date of invoice. This is just a reminder.

Feedback on 2022/23

We would also be grateful if you could spend a couple of minutes completing our feedback questionnaire. Below is a link, it is anonymous but the last question gives you the opportunity to provide your name and council if you would like us to contact you regarding any of your responses.

<https://forms.office.com/e/dfeyLisbPu>

Timetable for 2023/24

We will contact you next year towards the end of March with regards the 2023-24 documentation.

If you have any questions please do not hesitate to contact us.

Kind regards
Louise

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Section 1 – Annual Governance Statement 2022/23

We acknowledge as the members of:

Fair Oak and Horton Heath Parish Council

our responsibility for ensuring that there is a sound system of internal control, including arrangements for the preparation of the Accounting Statements. We confirm, to the best of our knowledge and belief, with respect to the Accounting Statements for the year ended 31 March 2023, that:

	Agreed		Yes means that this authority:
	Yes	No	
1. We have put in place arrangements for effective financial management during the year, and for the preparation of the accounting statements.	✓		<i>prepared its accounting statements in accordance with the Accounts and Audit Regulations.</i>
2. We maintained an adequate system of internal control including measures designed to prevent and detect fraud and corruption and reviewed its effectiveness.	✓		<i>made proper arrangements and accepted responsibility for safeguarding the public money and resources in its charge.</i>
3. We took all reasonable steps to assure ourselves that there are no matters of actual or potential non-compliance with laws, regulations and Proper Practices that could have a significant financial effect on the ability of this authority to conduct its business or manage its finances.	✓		<i>has only done what it has the legal power to do and has complied with Proper Practices in doing so.</i>
4. We provided proper opportunity during the year for the exercise of electors' rights in accordance with the requirements of the Accounts and Audit Regulations.	✓		<i>during the year gave all persons interested the opportunity to inspect and ask questions about this authority's accounts.</i>
5. We carried out an assessment of the risks facing this authority and took appropriate steps to manage those risks, including the introduction of internal controls and/or external insurance cover where required.	✓		<i>considered and documented the financial and other risks it faces and dealt with them properly.</i>
6. We maintained throughout the year an adequate and effective system of internal audit of the accounting records and control systems.	✓		<i>arranged for a competent person, independent of the financial controls and procedures, to give an objective view on whether internal controls meet the needs of this smaller authority.</i>
7. We took appropriate action on all matters raised in reports from internal and external audit.	✓		<i>responded to matters brought to its attention by internal and external audit.</i>
8. We considered whether any litigation, liabilities or commitments, events or transactions, occurring either during or after the year-end, have a financial impact on this authority and, where appropriate, have included them in the accounting statements.	✓		<i>disclosed everything it should have about its business activity during the year including events taking place after the year end if relevant.</i>
9. (For local councils only) Trust funds including charitable. In our capacity as the sole managing trustee we discharged our accountability responsibilities for the fund(s)/assets, including financial reporting and, if required, independent examination or audit.	Yes	No	N/A
			✓
			<i>has met all of its responsibilities where, as a body corporate, it is a sole managing trustee of a local trust or trusts.</i>

***Please provide explanations to the external auditor on a separate sheet for each 'No' response and describe how the authority will address the weaknesses identified. These sheets must be published with the Annual Governance Statement.**

This Annual Governance Statement was approved at a meeting of the authority on:

19/06/2023

and recorded as minute reference:

11a

Signed by the Chairman and Clerk of the meeting where approval was given:

Chairman

Clerk

<https://www.fairoak-pc.gov.uk/>

Section 2 – Accounting Statements 2022/23 for

Fair Oak and Horton Heath Parish Council

	Year ending		Notes and guidance
	31 March 2022 £	31 March 2023 £	
1. Balances brought forward	719,038	716,694	Total balances and reserves at the beginning of the year as recorded in the financial records. Value must agree to Box 7 of previous year.
2. (+) Precept or Rates and Levies	432,417	469,918	Total amount of precept (or for IDBs rates and levies) received or receivable in the year. Exclude any grants received.
3. (+) Total other receipts	299,324	926,349	Total income or receipts as recorded in the cashbook less the precept or rates/levies received (line 2). Include any grants received.
4. (-) Staff costs	285,743	375,117	Total expenditure or payments made to and on behalf of all employees. Include gross salaries and wages, employers NI contributions, employers pension contributions, gratuities and severance payments.
5. (-) Loan interest/capital repayments	0	0	Total expenditure or payments of capital and interest made during the year on the authority's borrowings (if any).
6. (-) All other payments	448,342	683,109	Total expenditure or payments as recorded in the cashbook less staff costs (line 4) and loan interest/capital repayments (line 5).
7. (=) Balances carried forward	716,694	1,054,735	Total balances and reserves at the end of the year. Must equal (1+2+3) - (4+5+6).

8. Total value of cash and short term investments	711,573	1,040,689	The sum of all current and deposit bank accounts, cash holdings and short term investments held as at 31 March – To agree with bank reconciliation.
9. Total fixed assets plus long term investments and assets	2,101,725	2,214,528	The value of all the property the authority owns – it is made up of all its fixed assets and long term investments as at 31 March.
10. Total borrowings	0	0	The outstanding capital balance as at 31 March of all loans from third parties (including PWLB).

For Local Councils Only	Yes	No	N/A	
11a. Disclosure note re Trust funds (including charitable)				The Council, as a body corporate, acts as sole trustee and is responsible for managing Trust funds or assets.
11b. Disclosure note re Trust funds (including charitable)			✓	The figures in the accounting statements above do not include any Trust transactions.

I certify that for the year ended 31 March 2023 the Accounting Statements in this Annual Governance and Accountability Return have been prepared on either a receipts and payments or income and expenditure basis following the guidance in Governance and Accountability for Smaller Authorities – a Practitioners' Guide to Good Practice and present fairly the financial position of this authority.

Signed by Responsible Financial Officer before being presented to the authority for approval

Date

19/06/2023

I confirm that these Accounting Statements were approved by this authority on this date:

19 06 2023

as recorded in minute reference:

19c

Signed by Chairman of the meeting where the Accounting Statements were approved

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

In respect of **Fair Oak and Horton Heath 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.

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

We note that the smaller authority did not comply with Regulation 15 of the Accounts and Audit Regulations 2015 as it failed to make proper provision during the year 2023/24 for the exercise of public rights, since the period for the exercise of public rights was less than 30 consecutive working days in length. As a result, the smaller authority must answer 'No' to Assertion 4 of the Annual Governance Statement for 2023/24 and ensure that it makes proper provision for the exercise of public rights during 2024/25.

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

ENT BDO LLP Southampton **EXTERNAL AUDITOR**

External Auditor Signature

DocuSigned by:

BDO LLP

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Date

23 September 2023