

**Final External Auditor Report and Certificate 2023/24 in respect of
Potto Parish Council NY0451**

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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 2024; and
- confirms and provides assurance on those matters that are relevant to our duties and responsibilities as external auditors.

External auditor's limited assurance opinion 2023/24

On 19 September 2024, we issued a report detailing the results of our limited assurance review of Sections 1 and 2 of this authority's Annual Governance & Accountability Return for the year ended 31 March 2024. We explained that we were unable to certify completion of the review at that time. We are now in a position to certify completion of the review.

The external auditor report given in Section 3 of the Annual Governance & Accountability Return requires amendments as follows:

Except for the matters reported below, on the basis of our review of Sections 1 and 2 of the Annual Governance and Accountability Return (AGAR), in our opinion the information in Sections 1 and 2 of the AGAR 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.

1. As noted in our report on the 2022/23 AGAR issued in May 2024, although budget setting process and documentation was improved during 2022/23, the 2023/24 process had weaknesses due to the inadequacy of the minutes of the budget meeting. The Council was informed that it should respond 'No' to Assertion 1 on the 2023/24 AGAR – it has not done so.
2. We noted during September 2024 that the latest version of the risk management documentation was dated February 2023, which indicates that the Council did not carry out its annual review of risk management arrangements during 2023/24. In our view therefore, the Council should have responded 'No' to Assertion 5.

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3. As noted in our report on the 2022/23 AGAR issued in May 2024, in July 2022, we issued a public interest report (PIR) to the Council. We followed up the Council's implementation of the 17 recommendations that we made and found a number of issues in respect of the implementation of 13 of the recommendations. As a result, the Council was informed that it should respond 'No' to Assertion 7 on the 2023/24 AGAR – it has not done so. During our limited assurance review of the 2023/24 AGAR, we have again followed up on the implementation of the PIR recommendations and can report that:

- i) **Recommendations 1 and 2:** We recommend that the Council holds an annual meeting in accordance with legislation and at the annual meeting elects a Chair of the Council for the year.

Finding: The Minutes still lack the required level of accuracy and detail to address the recommendations.

Conclusion: Recommendations not fully implemented.

- ii) **Recommendation 7:** We recommend that the Council adopts a more structured approach to setting its Council Tax precept, including setting out in the report to the Council proposing the Council Tax precept and/or minutes of the Council meeting setting the precept, the estimated reserves that it would be appropriate to raise or prudent to use, having regard to the estimated level of reserves at the end of the financial year.

Finding: The 2024-25 precept process has addressed the points regarding the proposed setting of the precept, although there is no mention of the estimated level of reserves it would raise or prudently use. Additionally, there is no reference to where the reports referred to in the minutes can be located on the website.

Conclusion: Recommendation not fully implemented.

- iii) **Recommendations 9 and 10:** We recommend that the Council should undertake a review of its arrangements for handling Freedom of Information requests in light of the findings of the Information Commissioner, and agree steps to minimise the risk of non-compliance going forward.

Finding: No specific mention of any update to its system and processes in the 23-24 period.

Conclusion: Recommendations not fully implemented.

- iv) **Recommendation 14:** We recommend that the Council adopts a structured and documented approach to the completion of its Annual Governance Statement.

Finding: The Council minutes reference the approval of the Accounting Statements and now specifically mentions the AGAR and the accounting statements. In our view the Council minutes were still inadequate, as there is still no supporting papers to explain the mandatory requirements of each governance assertion.

Conclusion: Recommendation not fully implemented.

- v) **Recommendations 15 and 16:** We recommend that the Council prepares action plans in response to this report, including clear actions with dates for completion and responsibilities for implementation and receives reports on progress in implementation of recommendations at each Council meeting until all agreed recommendations have been implemented.

Finding: We note that the action plan was prepared, reviewed and minuted at each meeting throughout 23/24, the same wording was used indicating that all points had already been actioned. The Council had not and still has not implemented all the recommendations.

Conclusion: Recommendations not fully implemented.

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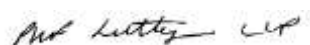
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Other matters not affecting our opinion which we draw to the attention of the authority:

1. The smaller authority has confirmed that it has not complied with the governance assertions in Section 1, Boxes 2 and 3 but it has not published on its website or provided the appointed auditor with an adequate explanation for non-compliance and details of the actions necessary to address the many weaknesses identified, as such it must respond 'No' to Assertion 3 of the 2024/25 AGAR and publish an explanation.
2. We received a significant amount of challenge correspondence in relation to the 2023/24 AGAR which we considered before completing our work. The authority will receive an invoice in relation to this additional work.
3. The AGAR was not fully or accurately completed before submission for review. The AGAR has been amended.
4. The Council did not publish our interim audit report on the 2023/24 AGAR nor the accompanying notice by 30 September 2024, as such it must respond 'No' to Assertion 4 of the 2024/25 AGAR and publish an explanation.

External auditor certificate 2023/24

We certify that we have completed our review of Sections 1 and 2 of the Annual Governance & Accountability Return, and discharged our responsibilities under the Local Audit and Accountability Act 2014, for the year ended 31 March 2024.



PKF Littlejohn LLP

16/10/2025