

Section 3 - External Auditor Report and Certificate 2021/22

In respect of

Banbury 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

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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 has confirmed Standing Orders, Financial Regulations and the Code of Conduct have not been reviewed for some time. Standing Orders and Financial Regulations were last reviewed in January 2018 and the Code of Conduct was last reviewed in June 2012.

Standing Orders and Financial Regulations are required to be reviewed by JPAG's Practitioners Guide of proper practices. Section 1.14 states: 'The authority needs to have in place standing orders and financial regulations governing how it operates. Financial regulations need to incorporate provisions for securing competition and regulating the manner in which tenders are invited. These need to be regularly reviewed, fit for purpose, and adhered to.'

The Localism Act 2011 requires an authority to have a Code of Conduct in place and has specific requirements in place for what this should include. Although we are aware many authorities adopt the model Code and only revise this when the model template is itself updated, this does not automatically make the Code fit for purpose for every Council. As it is a legal requirement to have a functional code in place, it follows that the model template should be reviewed on adoption to ensure that it fits with the activities of this specific Council and furthermore should be reviewed periodically to ensure changes have not made to activities that may require to be reflected in the adopted Code. The review should be carried out even if it is simply confirming no changes are required. The JPAG guide also states in Section 1.24: 'Procedures need to be in place to ensure that an authority's compliance with statutory regulations and applicable proper practices is regularly reviewed and that new requirements, or changes to existing ones, are reported to members and applied'.


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

NONE

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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 2022.

External Auditor Name

 **MOORE**

External Auditor Signature



Date

15/092022