

Section 3 – External Auditor’s Report and Certificate 2022/23 In respect of The Charter Trustees for the City of Durham - OT0057

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-auditpractice/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 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.

The AGAR was not accurately completed before submission for review. Please ensure that amendments are corrected in the prior year comparatives when completing next year’s AGAR:

- Unpresented cheques as per the bank reconciliation have not been deducted from Section 2, Box 8. As the smaller authority operates on an Income and Expenditure accounting basis, unpresented cheques should be included within Boxes 6, 7 and 8 and shown as reconciling items on the bank reconciliation rather than as creditors on the Box 7/8 reconciliation. This was also raised in the external auditor report for 2020/21 and 2021/22.

Section 1, Assertion 5 has been incorrectly completed. Information received from the internal auditor and confirmed by the smaller authority highlights that the risk assessment was not reviewed and approved during the year under review. As a result, the answer to this assertion should have been 'No'. The smaller authority has confirmed that this is now being addressed.

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

The minute references for Section 1 and 2 have been incorrectly recorded on the AGAR. The minutes of the meeting at which the AGAR was approved have been reviewed and demonstrate that Sections 1 and 2 have been approved in the correct order. The smaller authority should ensure that the correct dates are recorded on the AGAR in future.

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 (PKF Littlejohn LLP)

External Auditor Signature

Date 28/09/2023

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Local Councils, Internal Drainage Boards and other Smaller Authorities*

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External Auditor Name

PKF LITTLEJOHN LLP

External Auditor Signature

PKF Littlejohn LLP

Date

28/09/2023