

Final External Auditor Report and Certificate 2021/22 in respect of Kimberley Town Council NT0099

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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On 27 September 2022, 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 2022. 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) Information has come to our attention from the internal auditor highlighting the fact that Sections 1 & 2 of the 2020/21 AGAR, Notice of conclusion of audit and external auditor report and certificate were not published on the authority's website by the dates specified in the Accounts and Audit Regulations 2015.
- 2) Section 1, Assertion 9 has been incorrectly completed. The Council has confirmed that it is sole managing trustee of the Stag Recreation Ground but has answered Assertion 9 as 'N/A' and left Section 2, Box 11 blank. We note the comments of the internal auditor in respect of the Council's responsibilities as sole managing trustee of the Recreation Ground and its associated income and expenditure. The Council has confirmed that it has sought legal advice and is currently working with its solicitors and the Charities Commission to ascertain the correct status of the trust and has committed that once this is established the Council will follow the statutory process of that status. In light of this information, we would have expected the answers to Section 1, Assertion 9 and Section 2, Box 11 for the year ended 31 March 2022 to both be 'No'.

- 3) 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:
 - The smaller authority has confirmed that there was an error in the 2021 figures when transferring to new accounting software which also affects the balance carried forward. In order to correct this error Section 2, Boxes 6 and 7 for the prior year should read £115,569 and £289,713 respectively and Section 2, Boxes 1 and 7 for the current year should read £289,713 and £325,127 respectively.

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

- 1) 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 2022/23 for the exercise of public rights, since the period for the exercise of public rights was less than 30 consecutive working days in length and did not include the first 10 working days of July. As a result, the smaller authority must answer 'No' to Assertion 4 of the Annual Governance Statement for 2022/23 and ensure that it makes proper provision for the exercise of public rights during 2023/24.
- 2) The smaller authority has confirmed that certain expenditure was made under Section 137 of the Local Government Act 1972 during the year but that this was not identified as such at the time of resolving to make the payments. We recommend that, as best practice, the smaller authority notes the powers being used when making expenditure. We would also remind the smaller authority that a separate record of Section 137 expenditure should be kept during the year.
- 3) We note that during the 2021/22 year the summary of confidential sessions in the publicly available minutes did not include details of any resolutions made in those confidential sessions. We note that this has been rectified during the 2022/23 year.
- 4) We received challenge correspondence in relation to the 2021/22 AGAR which we considered before completing our work. The authority will receive an invoice in relation to this additional work.

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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 2022.

PKF Littlejohn LLP

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31/05/2023