

Final External Auditor Report and Certificate 2022/23 in respect of Kimberley Town Council NT0099

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.

External auditor's limited assurance opinion 2022/23

On 26 September 2023, 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 2023. 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:

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.

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

The smaller authority has confirmed that it has not complied with the governance Assertion in Section 1, Box 9 in respect of trust funds and has also answered 'No' to Section 2, Boxes 11a and 11b, but it has provided the appointed auditor with an adequate explanation for non-compliance and details of the actions necessary to address weaknesses identified. This has also been noted by the internal auditor in their response to internal control objection O in the Annual Internal Audit Report. As reported in our prior year external auditor's report, the smaller authority had been working with its solicitors and the Charities Commission to ascertain the correct status of the trust for the Recreation Ground and this had not been resolved as at 31 March 2023. Assertion 9 and Box 11a were both answered 'No' because of the uncertainties relating to the status of the trust and Box 11b was answered 'No' as the transactions relating to the trust went through the smaller authority's bank account and were therefore included in the figures in Section 2 of the AGAR. This matter has progressed since the year end and as a result of the legal advice received, a charitable trust has been set up which will take over the recreation ground. The new trust will have independent trustees and its own bank account and so in future the smaller authority will not be a sole managing trustee and all transactions will go through the trust's own bank account. Once this is in place and operating correctly, we would expect the answers to Assertion 9 and Boxes 11a and 11b to be 'N/A', 'No' and 'N/A' respectively.

The smaller authority has not been able to provide one of the year end bank statements to support the bank reconciliation to Section 2, Box 8. This is due to NatWest making the account dormant. The last available statement for this account is dated 30 December 2022. Bank statements were requested as part of our intermediate review procedures.

We received challenge correspondence in relation to the 2022/23 AGAR which we considered before completing our work. The authority will receive an invoice in relation to this additional work.

External auditor certificate 2022/23

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 2023.

PKF Littlejohn LLP

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20/02/2024