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.

During our detailed work on the objections raised to the 2023/24 AGAR, we concluded that the Council had incorrectly responded 'Yes' to a number of governance assertions for the following reasons:

Assertion 1 should have been answered 'No' due to:

- the Council's failure to review regular bank reconciliations during the second half of the year. The JPAG Practitioners' Guide, Assertion 1 paragraph 1.10 requires:
  Statements reconciling each of the authority's bank accounts with its accounting records need to be prepared on a regular basis, including at the financial year-end and reviewed by members of the authority.

PKF Littlejohn LLP
15 Westferry Circus,
Canary Wharf, London
E14 4HD

T: +44 (0)20 7516 2200
www.pkf-l.com

PKF Littlejohn LLP, Chartered Accountants. A list of members' names is available at the address below. PKF Littlejohn LLP is a limited liability partnership registered in England and Wales No. OC342572. Registered office at 15 Westferry Circus, London E14 4HD. PKF Littlejohn LLP is a member of PKF Global, the network of member firms of PKF International Limited, each of which is a separate and independent legal entity and does not accept any responsibility or liability for the actions or inactions of any individual member or correspondent firm(s).

- the Council's failure to appropriately manage its funds by holding over £85,000 with an individual financial institution and not carrying out a risk assessment in line with the statutory MHCLG guidance;
- weaknesses in the Council's processes for setting the 2024/25 budget and precept. In future, the Council should ensure that the budget working papers clearly evidence that the budget is prepared in advance of the precept setting exercise and that all income streams, expenditure categories and uses of reserves are included in the budgeting process and that full Council minutes adequately record the budget and precept setting and approval procedures; and
- the Council's failure to carry out budget monitoring during 2023/24.

Assertion 2 should have been answered 'No' due to:

- the Council's failure to review regular bank reconciliations during the second half of the year. The Council's Financial Regulation 2.2 states:
  On a regular basis, at least once in each quarter..... a member other than the chairman or a cheque signatory shall be appointed to verify bank reconciliations for all accounts produced by the RFO. The member shall sign the reconciliations and the original bank statements or similar documents as evidence of verification. This activity shall on conclusion be reported including any exceptions to and noted by council.
- the Council's failure to follow financial regulations in respect of some expenditure during the year;
- the Council's failure to carry out budget monitoring during 2023/24 in line with Financial Regulation 4.8;
- the Council's reimbursement to councillors and officers of expense claims in contravention of Financial Regulation 6.20;
- the Council's failure to comply with Financial Regulation 14.3 regarding the leases for the bowls and tennis clubs which occurred without adequate consultation.

Assertion 3 should have been answered 'No' due to:

- lack of compliance with the Localism Act 2011 in respect of the failure of some councillors to declare interests in decisions being made by the Council in relation to the leases for the bowls and tennis clubs.

Assertion 4 should have been answered 'No' due to:

- the 2022/23 Notice of Conclusion of the Audit by the appointed external auditor was not published on the Council's website along with the associated report and certificate (Section 3) and AGAR Sections 1 and 2 by 30 September 2023.

The Council should consider whether the issues reported here have an impact on the Council's responses to the governance assertions on future years' AGARs.

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

We received 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.

PKF Littlejohn LLP, Chartered Accountants. A list of members' names is available at the address below. PKF Littlejohn LLP is a limited liability partnership registered in England and Wales No. OC342572. Registered office at 15 Westferry Circus, London E14 4HD. PKF Littlejohn LLP is a member of PKF Global, the network of member firms of PKF International Limited, each of which is a separate and independent legal entity and does not accept any responsibility or liability for the actions or inactions of any individual member or correspondent firm(s).

PKF Littlejohn LLP
15 Westferry Circus,
Canary Wharf, London
E14 4HD

T: +44 (0)20 7516 2200
www.pkf-l.com

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

PKF Littlejohn LLP
19/08/2025

PKF Littlejohn LLP, Chartered Accountants. A list of members' names is available at the address below. PKF Littlejohn LLP is a limited liability partnership registered in England and Wales No. OC342572. Registered office at 15 Westferry Circus, London E14 4HD. PKF Littlejohn LLP is a member of PKF Global, the network of member firms of PKF International Limited, each of which is a separate and independent legal entity and does not accept any responsibility or liability for the actions or inactions of any individual member or correspondent firm(s).

PKF Littlejohn LLP
15 Westferry Circus,
Canary Wharf, London
E14 4HD

T: +44 (0)20 7516 2200
www.pkf-l.com