

Final External Auditor Report and Certificate 2020/21 in respect of Ketley Parish Council SH0094

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 2021; and
- confirms and provides assurance on those matters that are relevant to our duties and responsibilities as external auditors.

External auditor report 2020/21

On 26 September 2021, 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 2021. 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.

Information has come to our attention from the internal auditor highlighting the fact that Sections 1 & 2 of the 2019/20 AGAR, the Notice of conclusion of audit and the external auditor report and certificate were not published on the authority's website by the dates specified in the Accounts and Audit Regulations 2015.

The AGAR was not accurately completed before submission for review:

- In the prior year the smaller authority used the receipts and payments basis of accounting adjusted to account for the VAT debtor when it should have used the income and expenditure basis of accounting. While the current year's accounts have been prepared using the income and expenditure basis as required, the prior year comparative figures have not been restated to be on the same basis.

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 assertions in Section 1, Boxes 1, 2, 4, 5, 6, and 7, but it has provided the appointed auditor with an adequate explanation for non-compliance and details of the actions necessary to address weaknesses identified. In addition to the reasons provided for the 'No' response to Assertion 1, we note that the smaller authority failed to approve the AGAR in time to publish it before 1 July 2021, the date required by the Accounts and Audit Regulations 2015.

In the completion of the Annual Internal Audit Report, and their detailed reports, the internal auditor has drawn attention to significant weaknesses in relation to internal control objectives A, C, D, I, J, N covering accounting records, bank reconciliations, payment, supplier and payroll authorisation, risk assessment, budgetary control, the fixed asset register and publication of documents on the website. The smaller authority has already started to address these areas of weakness and must continue to do so in a timely manner.

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 2021/22 for the exercise of public rights, since the period for the exercise of public rights did not include the first 10 working days of July and the correct information was not published on a website as well as a noticeboard. As a result, the smaller authority must answer 'No' to Assertion 4 of the Annual Governance Statement for 2021/22 and ensure that it makes proper provision for the exercise of public rights during 2022/23.

External auditor certificate 2020/21

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 2021.



PKF Littlejohn LLP
22/11/2021

Section 1 – Annual Governance Statement 2020/21

We acknowledge as the members of:

KETLEY PARISH COUNCIL

our responsibility for ensuring that there is a sound system of internal control, including arrangements for the preparation of the Accounting Statements. We confirm, to the best of our knowledge and belief, with respect to the Accounting Statements for the year ended 31 March 2021, that:

	Agreed		'Yes' means that this authority:
	Yes	No*	
1. We have put in place arrangements for effective financial management during the year, and for the preparation of the accounting statements.		✓	prepared its accounting statements in accordance with the Accounts and Audit Regulations.
2. We maintained an adequate system of internal control including measures designed to prevent and detect fraud and corruption and reviewed its effectiveness.		✓	made proper arrangements and accepted responsibility for safeguarding the public money and resources in its charge.
3. We took all reasonable steps to assure ourselves that there are no matters of actual or potential non-compliance with laws, regulations and Proper Practices that could have a significant financial effect on the ability of this authority to conduct its business or manage its finances.	✓		has only done what it has the legal power to do and has complied with Proper Practices in doing so.
4. We provided proper opportunity during the year for the exercise of electors' rights in accordance with the requirements of the Accounts and Audit Regulations.		✓	during the year gave all persons interested the opportunity to inspect and ask questions about this authority's accounts.
5. We carried out an assessment of the risks facing this authority and took appropriate steps to manage those risks, including the introduction of internal controls and/or external insurance cover where required.		✓	considered and documented the financial and other risks it faces and dealt with them properly.
6. We maintained throughout the year an adequate and effective system of internal audit of the accounting records and control systems.		✓	arranged for a competent person, independent of the financial controls and procedures, to give an objective view on whether internal controls meet the needs of this smaller authority.
7. We took appropriate action on all matters raised in reports from internal and external audit.		✓	responded to matters brought to its attention by internal and external audit.
8. We considered whether any litigation, liabilities or commitments, events or transactions, occurring either during or after the year-end, have a financial impact on this authority and, where appropriate, have included them in the accounting statements.	✓		disclosed everything it should have about its business activity during the year including events taking place after the year end if relevant.
9. (For local councils only) Trust funds including charitable. In our capacity as the sole managing trustee we discharged our accountability responsibilities for the fund(s)/assets, including financial reporting and, if required, independent examination or audit.	Yes	No	N/A
			✓
	has met all of its responsibilities where, as a body corporate, it is a sole managing trustee of a local trust or trusts.		

*Please provide explanations to the external auditor on a separate sheet for each 'No' response and describe how the authority will address the weaknesses identified. These sheets must be published with the Annual Governance Statement.

This Annual Governance Statement was approved at a meeting of the authority on:

14/09/21

and recorded as minute reference:

C 21/093 (iv)

Signed by the Chairman and Clerk of the meeting where approval was given:

Chairman

SMillwardThomas

Clerk

[Signature]

www.ketleyparishcouncil.co.uk

Section 2 – Accounting Statements 2020/21 for

KETLEY PARISH COUNCIL

	Year ending		Notes and guidance
	31 March 2020 £	31 March 2021 £	
1. Balances brought forward	126,635	178,054	Total balances and reserves at the beginning of the year as recorded in the financial records. Value must agree to Box 7 of previous year.
2. (+) Precept or Rates and Levies	168,272	185,371	Total amount of precept (or for IDBs rates and levies) received or receivable in the year. Exclude any grants received.
3. (+) Total other receipts	63,720	59,590	Total income or receipts as recorded in the cashbook less the precept or rates/levies received (line 2). Include any grants received.
4. (-) Staff costs	83,006	77,184	Total expenditure or payments made to and on behalf of all employees. Include gross salaries and wages, employers NI contributions, employers pension contributions, gratuities and severance payments.
5. (-) Loan interest/capital repayments	0	0	Total expenditure or payments of capital and interest made during the year on the authority's borrowings (if any).
6. (-) All other payments	97,567	138,186	Total expenditure or payments as recorded in the cashbook less staff costs (line 4) and loan interest/capital repayments (line 5).
7. (=) Balances carried forward	178,054	207,645	Total balances and reserves at the end of the year. Must equal (1+2+3) - (4+5+6).
8. Total value of cash and short term investments	165,818	178,645	The sum of all current and deposit bank accounts, cash holdings and short term investments held as at 31 March -- To agree with bank reconciliation.
9. Total fixed assets plus long term investments and assets	134,065	145,935	The value of all the property the authority owns – it is made up of all its fixed assets and long term investments as at 31 March.
10. Total borrowings	0	0	The outstanding capital balance as at 31 March of all loans from third parties (including PWLB).
11. (For Local Councils Only) Disclosure note re Trust funds (including charitable)	Yes	No	The Council, as a body corporate, acts as sole trustee for and is responsible for managing Trust funds or assets.
		✓	N.B. The figures in the accounting statements above do not include any Trust transactions.

I certify that for the year ended 31 March 2021 the Accounting Statements in this Annual Governance and Accountability Return have been prepared on either a receipts and payments or income and expenditure basis following the guidance in Governance and Accountability for Smaller Authorities – a Practitioners' Guide to Proper Practices and present fairly the financial position of this authority.

Signed by Responsible Financial Officer before being presented to the authority for approval



Date

13/09/21

I confirm that these Accounting Statements were approved by this authority on this date:

14/09/21

as recorded in minute reference:

C21/093 (v)

Signed by Chairman of the meeting where the Accounting Statements were approved



Section 3 – External Auditor Report and Certificate 2020/21

In respect of **Ketley Parish Council - SH0094**

1 Respective responsibilities of the body and the auditor

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 2021; and
- confirms and provides assurance on those matters that are relevant to our duties and responsibilities as external auditors.

Our responsibility is to review Sections 1 and 2 of the Annual Governance and Accountability Return in accordance with guidance issued by the National Audit Office (NAO) on behalf of the Comptroller and Auditor General (see note below). Our work **does not** constitute an audit carried out in accordance with International Standards on Auditing (UK & Ireland) and **does not** provide the same level of assurance that such an audit would do.

2 External auditor report 2020/21

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.

The smaller authority is required by law to publish its AGAR, including the signed external auditor report, by 30 September this year; however, we are unable to certify completion of our review work on the AGAR and supporting documentation prior to 30 September to allow the smaller authority to fulfil this requirement, as the period set by the smaller authority for the exercise of public rights does not expire until on or after 30 September 2021.

An invoice for the statutory annual review fee (and chaser letter charges where they apply) has been issued with this interim certificate. This interim invoice may be settled prior to us certifying completion and issuing our final report and certificate. Should we receive challenge correspondence before we have certified completion, any additional fees arising from additional work required as a result of that correspondence will be invoiced with the certificate of completion; where no additional fees apply a zero invoice will be issued on completion.

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

Please see above.

3 External auditor certificate 2020/21

We do not 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 2021

We do not certify completion because:

The period set by the smaller authority for the exercise of public rights does not expire until on or after 30 September 2021.

External Auditor Name

PKF LITTLEJOHN LLP

External Auditor Signature

PKF Littlejohn LLP

Date

26/9/2021

* Note: the NAO issued guidance applicable to external auditors' work on limited assurance reviews in Auditor Guidance Note AGN/02. The AGN is available from the NAO website (www.nao.org.uk)

Ketley Parish Council

Notice of conclusion of audit Annual Return for the year ended 31 March 2021

Sections 20(2) and 25 of the Local Audit and Accountability Act 2014

Accounts and Audit Regulations 2015 (SI 2015/234)

	Notes
1. The audit of accounts for Ketley Parish Council for the year ended 31 March 2021 has been completed and the accounts have been published.	This notice and Sections 1, 2 & 3 of the AGAR must be published by 30 September. This must include publication on the smaller authority's website. The smaller authority must decide how long to publish the Notice for; the AGAR and external auditor report must be publicly available for 5 years.
2. The Annual Governance & Accountability Return is available for inspection by any local government elector of the area of Ketley Parish Council on application to: (a) <u>CHRIS MACLEAN, Locum CLERK/RFO</u> <u>COMMUNITY CENTRE</u> <u>HOLYHEAD ROAD, KETLEY</u> <u>TELF: 01753 711511</u> (b) <u>MONDAY TO FRIDAY</u> <u>BETWEEN 9.00 AM AND 5.00 PM</u>	(a) Insert the name, position and address of the person to whom local government electors should apply to inspect the AGAR (b) Insert the hours during which inspection rights may be exercised
3. Copies will be provided to any person on payment of <u>£0.20</u> (c) for each copy of the Annual Governance & Accountability Return.	(c) Insert a reasonable sum for copying costs
Announcement made by: (d) <u>CHRIS MACLEAN, Locum CLERK/RFO</u>	(d) Insert the name and position of person placing the notice
Date of announcement: (e) <u>27 NOVEMBER 2021</u>	(e) Insert the date of placing of the notice