

Section 3 - External Auditor Report and Certificate 2022/23

In respect of **Wigton Town Council**

1 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 2023; and
- confirms and provides assurance on those matters that are relevant to our duties and responsibilities as external auditors

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Except for the matters reported below on the basis of our review of Sections 1 and 2 of the Annual Governance and Accountability Return, in our opinion the information in Sections 1 and 2 of the Annual Governance and Accountability Return is in accordance with the 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 inspection period for the exercise of electors' rights was set for 31 working days which is more than the mandatory 30 working days as set out in the Accounts and Audit Regulations 2015, Paragraph 14(1). Although this is considered to be a minor technical breach, given more than the standard amount of time was provided for, in future the Council should ensure it provides the precise public inspection period. We would anticipate the Council taking this into account when it completes Assertion 4 on its 2023/24 Annual Governance and Accountability Return.

Section 1 of the AGAR was completed as approved on 29/06/2023 with the recorded minute reference 'FC/57/2023'. Section 2 of the AGAR was dated as approved on the same date but with the recorded minute reference 'FC/44/2023'. On investigation (due to the minute references appearing to be in the incorrect order), the minutes provided by the council clearly show that Section 2 was also approved under minute reference 'FC/57/2023'. As such, the minute reference reflected on Section 2 of the AGAR is incorrect.

We would expect this to be reflected in the council's response to Assertion 3 on the 2023-24 return although due to delay on this report being issued that may not be possible. In future minute references provided on the AGAR match back to the appropriate minutes.

We identified during our review of the Annual Governance and Accountability Return that boxes 6 and 9 of the prior year (2021-22) on Section 2 - Accounting Statements were different to the figures on last year's return. The clerk confirmed the figures on this year's return were true and accurate so therefore the column should have been marked as 'Restated' to bring it to the attention of the reader and not doing this is a breach of proper practices. As the figures for the 2023 year are correctly stated we do not believe this should impact the 2023-24 return.

The council has recorded a 'Yes' response at Assertion 1 effectively reporting that it has put in place arrangements for effective financial management during the year, and for the preparation of the accounting statements in accordance with the Accounts and Audit Regulations. Since control objectives A, E, F and I of the Annual Internal Auditor's Report has been answered 'No', due to bank reconciliations not being carried out throughout the year. Whilst we note that the bank reconciliation was accurate as at the year end, there were still issues during the year. It was also noted by the Internal Auditor that whilst a draft budget existed in December 2022 it was not formally accepted by the council until 8th March 2023. This was after the date the council applied for its precept. It is a requirement that a balanced budget be prepared and approved by the council in order to set the precept level to be applied for. Therefore, we feel a 'No' response to Assertion 1 on the Annual Governance Statement would have been more appropriate.

It was noted by the Internal Auditor that the Council have not been accounting for VAT properly due to incorrect postings. Whilst we note that the VAT accounting is accurate at the year end, there were still issues during the year. Therefore, we feel a 'No' response to Assertion 2 on the Annual Governance Statement would have been more appropriate.

The Council has recorded a 'Yes' response at Assertion 5 effectively reporting that it has completed an assessment of risks facing the authority and taken any necessary steps to manage those risks in the year under review. Since control objective C of the Annual Internal Auditor's Report has been answered 'No' we would have expected Assertion 5 to be consistent with the Annual Internal Auditor's Report.

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

(see attached sheet)

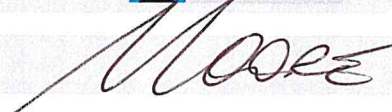
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We certify that we have completed our review of Sections 1 and 2 of the Annual Governance and Accountability Return, and discharged our responsibilities under the Local Audit and Accountability Act 2014, for the year ended 31 March 2023.

External Auditor Name

 **MOORE**

External Auditor Signature



Date

02/12/2024