

Final External Auditor Report and Certificate 2019/20 in respect of Beverley Town Council - HU0026

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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 2020; 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.

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On 26 November 2020, 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 2020. 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.

The AGAR was not accurately completed before submission for review:

- Information received from the smaller authority confirms that an item of Civic Regalia worth £47,185 was added to the asset register in 2019/20; however, this item was not purchased during the year and has been owned by the Council since 1999. The prior year Box 9 figure should have been restated for consistency and comparability.
- Section 1, Assertions 2, 3 and 5 have been incorrectly completed since the smaller authority is not fully compliant with its Financial Regulations or all relevant legislation and an adequate risk assessment for the year had not been carried out. The responses to these assertions should have been 'No'.

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

In the completion of the various internal auditors' reports in respect of 2019/20, attention has been drawn to significant weaknesses in relation to the Council's compliance with financial regulations in respect of purchase orders, reserves management, the budget process and risk management. The smaller authority must ensure that action is taken to address any remaining areas of weakness in a timely manner.

The smaller authority should ensure that it has regard to the level of reserves held when considering future precept requests. Any earmarked reserves should be considered and formally approved by the smaller authority.

We received challenge correspondence in relation to the 2019/20 and 2020/21 AGARs 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 2020.

PKF Littlejohn LLP

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30/06/2022