

Final External Auditor Report and Certificate 2019/20 in respect of Shaftesbury Town Council DO0136

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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.

1. The AGAR has not been signed in accordance with the Accounts and Audit Regulations 2015, since Section 2 was not signed by the Responsible Finance Officer before approval.
2. The Council's 2020 Financial Regulations, paragraph 3.1, state *'Each committee shall review its three-year forecast of revenue and capital receipts and payments. Having regard to the forecast, it shall thereafter formulate and submit proposals for the following financial year to the council not later than the end of November each year including any proposals for revising the forecast.'* The Human Resources (HR) Committee minutes indicate that this process was not followed during 2019/20. Also the budget review for the HR Committee was scheduled after the budget and precept approval meeting of the Council; the Council must ensure that the correct arrangements are carried out in future.

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

1. The smaller authority has confirmed that it has not complied with the governance assertion in Section 1, Box 5, but it has provided the appointed auditor with an adequate explanation for non-compliance and details of the actions necessary to address weaknesses identified.
2. We received challenge correspondence in relation to the 2019/20 and 2020/21 AGARs which we considered before completing our work on the 2019/20 AGAR. 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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16/06/2022