Final External Auditor Report and Certificate 2022/23 in respect of Hadleigh Town Council SF0177

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 2023; 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 2022/23

On 26 September 2023, 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 2023. 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.

We note that a Code of Conduct complaint was upheld by the Monitoring Officer against one councillor and that the Council subsequently considered the Monitoring Officer's report and whether any action should be taken including action against the councillor in question. In our view, the Council acted appropriately in considering this issue and it does not impact the Council's response to Assertion 2; however, since the Monitoring Officer concluded that the Code of Conduct had been breached by the Member's failure to declare interests in line with the Local Government Act 1972, in our view the Council should have responded 'No' to Assertion 3.

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

1. We note that the committee structure at the Council now appears to only include Full Council and some Sub-committees. In our view, the Council should review its committee structure to ensure that it remains appropriate. The Council's standing orders and financial regulations should also be reviewed to ensure that the committee structure is correctly reflected in these documents.
2. We note that the Council has stated that some of its policies have not been updated for many years and it is in the process of updating them. In our view, this should be addressed as soon as possible with a comprehensive timetable of updates implemented.

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3. Although it is not within our remit to assess the quality of the Council's risk management documentation, we were surprised to note that the Council's annual review of risk management arrangements was very narrow in focus and did not include reference to hazardous materials such as asbestos, despite the Council's recent management of these risks. We recommend that the Council's risk management documentation is updated to include all categories of risk faced by the Council.

4. We received challenge correspondence in relation to the 2022/23 AGAR which we considered before completing our work. The authority will receive an invoice in relation to this additional work.

External auditor certificate 2022/23

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 2023.

PKF Littlejohn LLP

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07/05/2024

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