

Section 3 – External Auditor Report and Certificate 2020/21

In respect of **Char Valley Group of Local Councils – DO0031**

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.

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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 (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 failed to approve the AGAR in time to publish it before 1 July 2021, the date required by the Accounts and Audit Regulations 2015, and did not disclose this by answering 'No' to Section 1, Box 1.

The smaller authority failed to publish the final signed AGAR by 30 September 2021, the date required by the Accounts and Audit Regulations 2015, and did not disclose this by answering 'No' to Section 1, Box 1. This is as a result of the AGAR and additional documentation not being submitted for review until 18/11/21 and the smaller authority setting a period for the exercise of public rights that finished on 31/12/21 meaning that the appointed auditor had to wait until after that date before the review could be completed.

Section 1, Assertion 3 has been incorrectly completed. The smaller authority certified itself exempt from a limited assurance review for the year ended 31 March 2020. As a result of the figures reported within the AGAR submitted for 2020/21, information has come to our attention in respect of the year ended 31 March 2020 to indicate the criteria for certifying exemption were not all satisfied, as total expenditure for the year ended 31 March 2020 exceeded £25,000. The prior year certificate of exemption is therefore not valid, and the smaller authority did not comply with the Local Audit (Smaller Authorities) Regulations 2015. In addition, information has come to our attention highlighting the fact that Sections 1 & 2 of the 2019/20 AGAR were not published on the authority's website by the dates specified in the Accounts and Audit Regulations 2015. As a result of these two instances of non-compliance with laws and regulations, Section 1, Assertion 3 should have been answered "No".

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

In the prior year, the smaller authority claimed exemption from our review, thus we have not reviewed any evidence to support the prior year comparatives on the AGAR.

The smaller authority has confirmed that it has not complied with the governance assertions in Section 1, Boxes 4 and 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. The internal auditor has made reference to the same matters in the completion of the Annual Internal Audit Report.

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 correct information was not all published on the website. 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.

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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 2021.

External Auditor Name

PKF LITTLEJOHN LLP

External Auditor Signature

PKF Littlejohn LLP

Date

18/01/2022

* 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)