

## Droitwich Spa Town Council

### Notice of the audit and right to inspect the Annual Governance & Accountability Return

#### Annual Governance & Accountability Return for the year ended 31 March 2022

Sections 20(2) and 25 of the Local Audit and Accountability Act 2014

Accounts and Audit Regulations 2015 (SI 2015/234)

	Notes
<p>1. The audit of accounts for <b>Droitwich Spa Town Council</b> for the year ended 31 March 2022 has been carried out but cannot be completed for the reasons stated in the external auditor report. The accounts have been published.</p>	<p>This notice and Sections 1, 2 &amp; 3 of the AGAR must be published by 30 September. This must include publication on the smaller authority's website. The smaller authority must decide how long to publish the Notice for; the AGAR and external auditor report must be publicly available for 5 years.</p>
<p>2. The Annual Governance &amp; Accountability Return is available for inspection by any local government elector of the area of <b>Droitwich Spa Town Council</b> on application to:</p>	
<p>(a) <u>MARK KEV - TOWN CLERK + RFO</u> <u>DROITWICH SPA TOWN COUNCIL</u> <u>ST NICHOLAS HOUSE, VICTORIA SQUARE</u> <u>DROITWICH SPA - WLA - 805</u></p>	<p>(a) Insert the name, position and address of the person to whom local government electors should apply to inspect the AGAR</p>
<p>(b) <u>9.00AM - 5.00PM MONDAY TO FRIDAY</u> <u>by prior arrangement</u></p>	<p>(b) Insert the hours during which inspection rights may be exercised</p>
<p>3. Copies will be provided to any person on payment of <u>£1</u> (c) for each copy of the Annual Governance &amp; Accountability Return.</p>	<p>(c) Insert a reasonable sum for copying costs</p>
<p>Announcement made by: (d) <u>MARK KEV - TOWN CLERK + RFO</u></p>	<p>(d) Insert the name and position of person placing the notice</p>
<p>Date of announcement: (e) <u>28 September 2022</u></p>	<p>(e) Insert the date of placing of the notice</p>

## Section 3 – External Auditor Report and Certificate 2021/22

In respect of

Droitwich Spa Town Council - WO0047

### 1 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 2022; and
- confirms and provides assurance on those matters that are relevant to our duties and responsibilities as external auditors.

### 2 External auditor report 2021/22

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 are unable to complete our review work on the AGAR and supporting documentation as a result of correspondence received in relation to 2021/22 and/or prior years. Once we have finalised our review and completed any additional work arising from that correspondence, a final report will be provided with the certificate of completion detailing any qualifications and 'other' matters.

Our fee note for the limited assurance review will be issued when we certify completion.

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

Please see above.

### 3 External auditor certificate 2021/22

We do not 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 2022

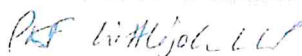
We do not certify completion because:

We have received correspondence bringing information to our attention that we must consider before certifying the completion of our review and the discharging of our responsibilities.

External Auditor Name

**PKF LITTLEJOHN LLP**

External Auditor Signature



Date

27/09/2022

\* 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](http://www.nao.org.uk))

# Section 1 – Annual Governance Statement 2021/22

We acknowledge as the members of:

DRITWICK SPA TOWN COUNCIL

our responsibility for ensuring that there is a sound system of internal control, including arrangements for the preparation of the Accounting Statements. We confirm, to the best of our knowledge and belief, with respect to the Accounting Statements for the year ended 31 March 2022, that:

	Agreed		'Yes' means that this authority:
	Yes	No*	
1. We have put in place arrangements for effective financial management during the year, and for the preparation of the accounting statements.	✓		prepared its accounting statements in accordance with the Accounts and Audit Regulations.
2. We maintained an adequate system of internal control including measures designed to prevent and detect fraud and corruption and reviewed its effectiveness.	✓	✓	made proper arrangements and accepted responsibility for safeguarding the public money and resources in its charge. <span style="float: right;">6/7/22</span>
3. We took all reasonable steps to assure ourselves that there are no matters of actual or potential non-compliance with laws, regulations and Proper Practices that could have a significant financial effect on the ability of this authority to conduct its business or manage its finances.	✓		has only done what it has the legal power to do and has complied with Proper Practices in doing so.
4. We provided proper opportunity during the year for the exercise of electors' rights in accordance with the requirements of the Accounts and Audit Regulations.	✓		during the year gave all persons interested the opportunity to inspect and ask questions about this authority's accounts.
5. We carried out an assessment of the risks facing this authority and took appropriate steps to manage those risks, including the introduction of internal controls and/or external insurance cover where required.	✓		considered and documented the financial and other risks it faces and dealt with them properly.
6. We maintained throughout the year an adequate and effective system of internal audit of the accounting records and control systems.	✓		arranged for a competent person, independent of the financial controls and procedures, to give an objective view on whether internal controls meet the needs of this smaller authority.
7. We took appropriate action on all matters raised in reports from internal and external audit.	✓		responded to matters brought to its attention by internal and external audit.
8. We considered whether any litigation, liabilities or commitments, events or transactions, occurring either during or after the year-end, have a financial impact on this authority and, where appropriate, have included them in the accounting statements.	✓		disclosed everything it should have about its business activity during the year including events taking place after the year end if relevant.
9. (For local councils only) Trust funds including charitable. In our capacity as the sole managing trustee we discharged our accountability responsibilities for the fund(s)/assets, including financial reporting and, if required, independent examination or audit.	Yes	No	has met all of its responsibilities where, as a body corporate, it is a sole managing trustee of a local trust or trusts.

\*Please provide explanations to the external auditor on a separate sheet for each 'No' response and describe how the authority will address the weaknesses identified. These sheets must be published with the Annual Governance Statement.

This Annual Governance Statement was approved at a meeting of the authority on:

20/06/2022

and recorded as minute reference:

51/2022

Signed by the Chairman and Clerk of the meeting where approval was given:

Chairman

*[Signature]*

Clerk

*[Signature]*

[www.droitwichspa.gov.uk](http://www.droitwichspa.gov.uk)

AGAR Submission 2021/2022.

The External auditor has brought to the Town Councils attention on 6<sup>th</sup> July 2022 correspondence which raises that it has been alleged that the Council's financial regulations have not been complied with since FR 5.2 states that "a detailed list of all payments shall be disclosed within or as an attachment to the minutes of the meeting at which the payment was authorised". This is for the year end 2021/2022.

Following the advice of the External Auditor an amended AGAR response to Assertion 2 has been submitted and published as at 7 July 2022 with this accompanying note. Going forward this matter will be noted and included as part of the agenda for the next scheduled Full Council meeting on 26 September 2022. This will also include the next due annual review of the Financial Regulations and the recommendation to ensure all individual remittance payment lists are appended to the website with the accepted minutes going forwards.

Mark Keld

Town Clerk – Droitwich Spa Town Council

7<sup>th</sup> July 2022

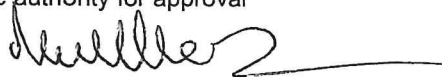
Section 2 – Accounting Statements 2021/22 for

DOWTWICK SPA TOWN COUNCIL

	Year ending		Notes and guidance	
	31 March 2021 £	31 March 2022 £		
1. Balances brought forward	606,712	696,123	Total balances and reserves at the beginning of the year as recorded in the financial records. Value must agree to Box 7 of previous year.	
2. (+) Precept or Rates and Levies	384,750	400,140	Total amount of precept (or for IDBs rates and levies) received or receivable in the year. Exclude any grants received.	
3. (+) Total other receipts	239,082	135,597	Total income or receipts as recorded in the cashbook less the precept or rates/levies received (line 2). Include any grants received.	
4. (-) Staff costs	145,886	163,422	Total expenditure or payments made to and on behalf of all employees. Include gross salaries and wages, employers NI contributions, employers pension contributions, gratuities and severance payments.	
5. (-) Loan interest/capital repayments	NIL	NIL	Total expenditure or payments of capital and interest made during the year on the authority's borrowings (if any).	
6. (-) All other payments	388,534	272,219	Total expenditure or payments as recorded in the cashbook less staff costs (line 4) and loan interest/capital repayments (line 5).	
7. (=) Balances carried forward	696,123	796,218	Total balances and reserves at the end of the year. Must equal (1+2+3) - (4+5+6).	
8. Total value of cash and short term investments	689,485	782,267	The sum of all current and deposit bank accounts, cash holdings and short term investments held as at 31 March – <b>To agree with bank reconciliation.</b>	
9. Total fixed assets plus long term investments and assets	3,107,993	3,107,993	The value of all the property the authority owns – it is made up of all its fixed assets and long term investments as at 31 March.	
10. Total borrowings	NIL	NIL	The outstanding capital balance as at 31 March of all loans from third parties (including PWLB).	
11. (For Local Councils Only) Disclosure note re Trust funds (including charitable)	Yes	No	N/A	The Council, as a body corporate, acts as sole trustee for and is responsible for managing Trust funds or assets.
			✓	N.B. The figures in the accounting statements above do not include any Trust transactions.

I certify that for the year ended 31 March 2022 the Accounting Statements in this Annual Governance and Accountability Return have been prepared on either a receipts and payments or income and expenditure basis following the guidance in Governance and Accountability for Smaller Authorities – a Practitioners' Guide to Proper Practices and present fairly the financial position of this authority.

Signed by Responsible Financial Officer before being presented to the authority for approval



Date

21/04/2022

I confirm that these Accounting Statements were approved by this authority on this date:

20/06/2022

as recorded in minute reference:

52/2022

Signed by Chairman of the meeting where the Accounting Statements were approved



### Section 3 – External Auditor’s Report and Certificate 2021/22

In respect of

DROITWICK SPA TOWN COUNCIL

#### 1 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 2022; and
- confirms and provides assurance on those matters that are relevant to our duties and responsibilities as external auditors.

#### 2 External auditor’s limited assurance opinion 2021/22

(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 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. (\*delete as appropriate).

(continue on a separate sheet if required)

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

(continue on a separate sheet if required)

#### 3 External auditor certificate 2021/22

We certify/do not 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 2022.

\*We do not certify completion because:

External Auditor Name

External Auditor Signature

Date