

Final External Auditor Report and Certificate 2023/24 in respect of Leigh-on-Sea Town Council EX0145

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 2024; 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 2023/24

On 19 September 2024, 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 2024. 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 was not accurately completed before submission for review. Please ensure that amendments are corrected in the prior year comparatives when completing next year's AGAR:
 - The smaller authority has confirmed that the figures in Section 2, Box 9 are incorrect for both the current and prior years due to certain assets being omitted from the fixed asset register. Section 2, Box 9 for the current and prior years should read £639,202 and £635,238 respectively.

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

- 1) It has been brought to our attention by the smaller authority that at its January 2025 meeting, the responses to the governance assertions on the 2023/24 AGAR were discussed and amended, with explanatory documentation also being provided to us and published on the smaller authority's website. On the amended Section 1, the smaller authority has confirmed that it has not complied with the governance assertions in Section 1, Boxes 1, 2, 3, 5, 6, 7 and 8 with explanations being provided in the accompanying explanatory documentation.

- 2) We note that the council has responded 'No' to Assertion 1. This is correct as it has come to our attention that:
- for part of the year the smaller authority was acting without an RFO. The smaller authority should always ensure that an RFO is appointed in line with section 151 of the Local Government Act 1972;
 - the chair signed Section 1 as the chair and the clerk;
 - the smaller authority originally failed to approve the AGAR in time to publish it before 1 July 2024, the date required by the Accounts and Audit Regulations 2015. We note that the smaller authority subsequently reconsidered and reapproved its AGAR in January 2025.
- 3) We note that the 'No' response to assertion 5 is consistent with the internal auditor's response to internal control objective C in the Annual Internal Audit Report.
- 4) 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 2024/25 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 the period was more than 30 working days. As a result, the smaller authority must answer 'No' to Assertion 4 of the Annual Governance Statement for 2024/25 and ensure that it makes proper provision for the exercise of public rights during 2025/26.
- 5) We received challenge correspondence in relation to the 2023/24 AGAR which we considered before completing our work. The authority will receive an invoice in relation to this additional work.
- 6) An objection was raised in relation to a contract and associated expenditure during 2023/24, the smaller authority reviewed the issues and concluded the following:
- a. during 2023/24, approval of expenditure was carried out at some Council meetings and included expenditure relating to the WorkNest contract;
 - b. it was not possible to confirm that councillors saw the invoices to support the expenditure; however, if the work was of a confidential nature, this information would not have been made public;
 - c. the correct tender process for the HR contract with WorkNest was not followed:
 - i. it was resolved in the confidential session of the Council meeting on 16 January 2024 to accept and approve the retained HR Service Proposal with WorkNest at £110 per hour – the item should have been taken in public session;
 - ii. after the meeting the contracted hours were agreed with WorkNest by the Locum Clerk/Responsible Finance Officer (RFO) and Chair of Staffing Committee – without delegated authority;
 - iii. the contracted hours equated to £26,400 per annum for three years – over the threshold for being advertised on the Contracts Finder website in line with the PCR 2015;
 - iv. the smaller authority did not follow its contract standing orders, its financial regulations or the PCR 2015 in relation to the procurement of this contract.

We also note that at its January 2025 meeting, when the responses to the governance assertions on the 2023/24 AGAR were discussed and amended by the smaller authority, this included a resolution to amend the Assertions 2 and 3 responses to 'No'.

External auditor certificate 2023/24

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 2024.

PKF Littlejohn LLP

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10/03/2025