

From: SBA <SBA@pkf-l.com>

Sent: Thursday, November 7, 2024 7:12:45 PM

To: >

Cc: Councillor Bernard Arscott <cllrarscott@leighonseatowncouncil.gov.uk>

Subject: LEIGH-ON-SEA TOWN COUNCIL - OBJECTIONS TO 2023/24 AGAR - ELIGIBILITY DECISIONS

Copied to the Council for information and as a request for confirmation of objector's electoral status

Dear Mr

Thank you for your email of objection which was received by us as appointed auditors to the Council on 13 August 2024.

Requirements for an eligible objection

Section 27 of the Local Audit and Accountability Act 2014 (the 2014 Act) provides that local government electors for an area may object to the Council's accounts concerning a matter in respect of which the auditor could:

- make a public interest report under paragraph 1 of Schedule 7 of the 2014 Act. Paragraph 1 of Schedule 7 of the 2014 Act provides that auditor must consider whether, in the public interest, they should make a report on any matter coming to their notice during the audit and relating to the Council or an entity connected with the Council, so it can be considered in accordance with Schedule 7 of the 2014 Act or brought to the public's attention; and/or
- make an application to the court for a declaration that an item of account is contrary to law under section 28 of the 2014 Act.

Section 27 requires that objections must be made in writing and copied to the Council.

Regulation 14 of the Accounts and Audit Regulations 2015 (the 2015 Regulations) provides that objections may only be made in a single 30-day period of which notice has been given under Regulation 15 of the 2015 Regulations.

Regulation 17 of the 2015 Regulations provides that a notice of objection under Section 27 of the 2014 Act must specify:

- the facts on which the local government elector relies;
- the grounds on which the objection is being made; and
- so far as is possible, particulars of any item of account which is alleged to be contrary to law; and any matter in respect of which it is proposed that the auditor could make a public interest report under section 24 of and paragraph 1 of Schedule 7 to the 2014 Act.

Furthermore in March 2023, in exercise of the power in paragraph 9 of Schedule 6 of the 2014 Act, the National Audit Office, on behalf of the Comptroller and Auditor General, issued Auditor Guidance Note 4: [Auditors' Additional Powers and Duties](#) (AGN 04). Paragraphs 19 to 28 of AGN 04 provide guidance on determining whether an objection is eligible. We must have regard to that guidance.

Thus in order for your objections to be categorised as 'eligible' under Step 1 of the guidance issued by the National Audit Office, we must:

- Confirm that the objections were received by us during the Council's public rights period;
- Confirm that you have sent a copy of your objections and any attachments to the Council;
- Confirm that each objection contains the facts relating it to an item of account and/or a governance assertion on the 2023/24 AGAR;
- Confirm that each objection contains the grounds explaining why an item of account on the 2023/24 AGAR is alleged to be unlawful and/or why a governance assertion on the 2023/24 AGAR is alleged not to have been complied with by the Council; and
- Receive confirmation from the Council that you were a registered elector of the parish on the date that we received your objections.

Your objections

You have objected to:

1. the Council's failure to publish an explanation for its 'No' response to Assertion 1 in respect of the Council's failure to carry out budget and precept setting during 2023/24 in accordance with relevant legislation;
2. the response given to Assertion 2 of the 2023/24 AGAR due to the Council's failure to follow its financial regulations in respect of budget setting during 2023/24;
3. the removal of information from the website which you assert makes Council business less transparent;
4. the quality of minutes of Council meetings, in particular regarding public questions;
5. the Council's failure to publish supporting agenda papers;
6. the response given to Assertion 5 of the 2023/24 AGAR due to the Council's failure to carry out a review of its risk management arrangements during the year;
7. the published payments listings which you assert do not reconcile to the total expenditure in the AGAR;
8. the fixed assets figure in Box 9, which does not agree to the figure noted in the internal audit report;
9. the variances in year on year expenditure which were not what you expected; and
10. the Council's failure to provide certain information for inspection during the summer 2024 public rights period.

Our eligibility decisions

Your objections were received by us during the Council's public rights period and have been copied to the Council. The items in Objections 2, 6 and 8 are all linked to governance assertions or items of account in the 2023/24 AGAR and the grounds for the objections have been explained; they would therefore be considered to be eligible in those respects. We will be in touch in due course with our decision regarding the acceptance of any eligible objections for further consideration.

We have assessed Objections 1/3/4/5/7/9/10 as ineligible since they do not relate to a governance assertion or item of account on the 2023/24 AGAR. We will consider whether in our

view the ineligible objections have an impact on the 2023/24 AGAR or on our report on the AGAR before completing our limited assurance review of the AGAR.

At this early stage, we would like to remind both you and the Council of the need to ensure compliance with relevant data protection legislation (including the General Data Protection Regulations (GDPR)). This could include, for example, redacting personal information (such as the objector's name, address or other identifying information) from any subsequent publication or sharing of the objections and related correspondence.

Overview of the objection process, timescales and costs

Please see below a brief explanation of the objection process for your information:

- Step 1 – eligibility:
 - Receipt of objections;
 - Assessment of objections against eligibility criteria;
 - Notification of eligibility decisions (copied to Council – i.e. this email); and
 - Confirmation of objector's electoral status.
- Step 2 – acceptance:
 - Assessment of eligible objections against acceptance criteria; and
 - Notification of acceptance decisions (copied to Council).
- Step 3 – consideration & decision:
 - Request for information including formal response from Council in respect of accepted objections (copied to objector);
 - Analysis of accepted objections and information received from Council;
 - Request for further clarification/information from objector and/or Council if required (copied to objector/Council);
 - Collation and redaction of material documents as appropriate;
 - Sharing of material documents if not previously shared with objector;
 - Analysis of comments received on material documents;
 - Determination of accepted objections;
 - Decision letter including statement of reasons issued to objector (copied to Council);
 - Statutory reporting issued to Council if appropriate (copied to objector); and
 - Appeal period if our decision is not to apply to the Courts regarding an alleged unlawful item of account (21 days).
- Following completion of the challenge work:
 - Completion of our limited assurance review of the AGAR
 - External auditor report, including any challenge related reporting matters, and certificate on 2023/24 AGAR issued to Council along with invoice for the limited assurance review and the additional work as a result of challenge correspondence received

We are required to make our best endeavours to complete Step 1 within a week of receipt, then Step 2 within a further month, then Step 3 within a further six months. Where we are not able to decide the objection within six months, we will inform the objector and the authority. If we have not been able to conclude in the meantime, we will provide further updates on progress every three months until the objection is decided.

Please note that all the costs of any additional work that we carry out as a result of challenge correspondence received are met by the Council (and therefore the local taxpayers through increased council tax). The costs are set by Smaller Authorities Audit Appointments Ltd (SAAA) and such work is carried out by an engagement lead at a cost to the authority of £355 per hour plus VAT, i.e. £2,485 per day plus VAT. If you wish to withdraw any or all of your objections to the AGAR, this can be done at any point in the process. We will still consider whether in our view the withdrawn objections have an impact on the 2023/24 AGAR or on our report on the AGAR before completing our limited assurance review of the AGAR; however, the additional reporting stages of the process will be avoided and so the costs to the Council will be lower.

Kind regards

Rebecca

Rebecca Plane | Head of Challenge | Engagement Lead
PKF

For and on behalf of PKF Littlejohn LLP

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<https://www.pkf-l.com/services/limited-assurance-regime>

Please note that my usual working days are Tuesday/Wednesday/Thursday

For and on behalf of

PKF Littlejohn LLP