

Final External Auditor Report and Certificate 2022/23 in respect of Whitby Town Council NY0608

Page 1 of 2

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.

1. The Council has a power to raise funds by submitting a Council Tax precept to the Borough Council. This is an important power and legislation specifies how the precept is to be set, including by determining the reserves that it would be appropriate to raise or prudent to use, having regard to the estimated level of reserves at the end of the financial year.

Although the Council considered estimated income and expenditure in setting its Council Tax precept, it did not explicitly consider the level of reserves and reasonableness of that level as it was required to do. In our view, the Council should have responded 'No' to Assertion 1 as a result.

We recommend that the Council adopts a more structured approach to setting its Council Tax precept, including setting out in the report to the Council proposing the Council Tax precept and/or minutes of the Council meeting setting the precept, the estimated reserves that it would be appropriate to raise or prudent to use, having regard to the estimated level of reserves at the end of the financial year.

2. During our work on the challenge correspondence received in respect of the AGAR, the Council was informed of a breach of GDPR that had occurred during 2022/23 which it acknowledged. In our view, the Council should have responded 'No' to Assertion 3 as a result of this non-compliance with the regulations.

Final External Auditor Report and Certificate 2022/23 in respect of Whitby Town Council NY0608

Page 2 of 2

3. During our work on the challenge correspondence received in respect of the 2022/23 AGAR, we noted that the Council had been late in filing the following information with the Charity Commission in respect of its associated charitable trusts, we note that the filing of all the returns in relation to the 2022/23 financial year was on time. In our view, the Council should have responded 'No' to Assertion 9 as a result:
 - a. Pannett Park – Annual Return for the year ended 31/3/2022 (due on 31 January 2023 but submitted on 7 February 2023)
 - b. Pannett Art Gallery & Whitby Museum – Annual Return (due on 31 January 2023 but submitted on 7 February 2023), Accounts & Trustees Report for the year ended 31/3/2022 (due on 31 January 2023 but submitted on 6 July 2023)

We also noted that the Council meets as trustee of the Pannett Art Gallery & Whitby Museum charitable trust twice a year, but not all agendas and minutes are available on the website.

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

During our additional work as a result of the challenge correspondence received in relation to the 2022/23 AGAR, we noticed a number of issues with the functionality of the Council's website. We understand that the Council is working with the new website owner on improving the site, rather than funding expenditure on a replacement. As well as the issues in searching for documents, we have informed the Clerk of a small number of errors in the dates on agendas on the website and a missing agenda pack.

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

PKF Littlejohn LLP
04/04/2024