

Section 3 – External Auditor Report and Certificate 2019/20

In respect of **Wincanton Town Council – SO0306**

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 2020; 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.

Section 2 has not been prepared in accordance with proper practices. The income and expenditure basis must be used to prepare its accounts for the third and subsequent years that the income and/or expenditure of the smaller authority exceeds £200k. The accounts have not been properly prepared on the income and expenditure basis. Information received from the smaller authority indicates that VAT has not been correctly accounted for through a balance sheet account and not all year end debtors and creditors have been accounted for in the figures in Section 2. The smaller authority should ensure that the income and expenditure basis of accounting is applied correctly in the preparation of the accounts for 2021/21 and that the 2019/20 figures in the comparative column of the 2020/21 AGAR are restated to be on the same basis.

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

The smaller authority has confirmed that it has not complied with the governance assertions in Section 1, Boxes 1 and 4, but it has provided the appointed auditor with an adequate explanation for non-compliance and details of the actions necessary to address weaknesses identified. In addition to the reasons stated for answered “No” to assertion 1, the smaller authority failed to approve the AGAR in time to publish it before 1 September 2020 and failed to publish the final signed AGAR by 30 November 2020, the dates required by the Accounts and Audit Regulations 2015 as amended by SI 2020/404 the Accounts and Audit (Coronavirus) (Amendment) Regulations 2020.

We note that the smaller authority did not comply with Regulation 15 of the Accounts and Audit Regulations 2015 as amended by SI 2020/404 the Accounts and Audit (Coronavirus) (Amendment) Regulations 2020 as it failed to make proper provision during the year 2020/21 for the exercise of public rights, since the period for the exercise of public rights did not start on or before 1 September 2020. As a result, the smaller authority must answer ‘No’ to Assertion 4 of the Annual Governance Statement for 2020/21 and ensure that it makes proper provision for the exercise of public rights during 2021/22.

The smaller authority has not provided:

- an adequate explanation for the variance between the prior and current year values in Box 3 of Section 2.
- an adequate explanation for the inconsistency in the accounting treatment for the new skate park. Information received from the smaller authority indicates that this has been included in full in the fixed asset figure in Section 2, Box 9 but the full cost has not been included in expenditure in Section 2, Box 6, prior to the year end.

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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 2020.

External Auditor Name

PKF LITTLEJOHN LLP

External Auditor Signature

PKF Littlejohn LLP

Date

07/06/2021

* Note: the NAO issued guidance applicable to external auditors' work on limited assurance reviews for 2019/20 in Auditor Guidance Note AGN/02. The AGN is available from the NAO website (www.nao.org.uk)