

Section 3 - External Auditor Report and Certificate 2024/25

In respect of **Upton Parish 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 2025; and
- confirms and provides assurance on those matters that are relevant to our duties and responsibilities as external auditors

2 External auditor limited assurance opinion 2024/25

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 the *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.

The minute reference per Section 1 of the AGAR is 18. A copy of the minutes were provided which clearly show that Section 1 of the AGAR was actually approved at minute reference 17. As such, this minute reference has been misreported. We would expect any future minute references to match back to the reference provided in those minutes.

The council has answered 'yes' to assertion 4 of Section 1 of the Annual Governance and Accountability Return which relates to how the Notice of Public Rights was advertised within the financial year 2024/25. Therefore, it relates to the Notice announcing the public right to review the 2023/24 return which was published during 2024/25. As noted in the Auditor Report last year, this notice was not correctly advertised therefore this assertion should have been answered 'no'.

As noted in the other matter section below, the council have not correctly provided for the Notice of Public Rights for 2024/25. This issue was also raised on the prior year's External Audit Report and hence this issue was not appropriately actioned. The council therefore should have answered 'no' to assertion 7 of Section 1 of the Annual Governance and Accountability Return which relates to taking appropriate action on matters reported from internal and external audit.

Section 12 of the Audit and Accounts Regulations 2015 requires the RFO to complete Section 2 of the Annual Governance and Accountability Return prior to passing it to the council for its approval. This year, the council approved the Return before the RFO which is a breach of this regulation. In future the council should ensure the form is duly completed prior to it considering it for approval.

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

The council left a significant time period between approval of the Annual Governance and Accountability Return and the commencement of the Public Rights Period. The Audit and Accounts Regulations 2015, section 12 (3)(a) and proper practices require that following approval of the Return, the Public Rights Period should commence as soon as is reasonably practicable when taking into consideration the mandatory inclusion of the first 10 working days of July.

The published Notice of Public Rights requires the name, position and contact details of the person to contact to exercise public rights to be entered at line 2(b) on the form to satisfy the Accounts and Audit Regulations 2015, Paragraph 15(2)(b). The name and contact details have been missed from the notice this year. The council should ensure this is completed correctly in the future.

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3 External auditor certificate 2024/25

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 2025.

External Auditor Name

 **MOORE**

External Auditor Signature



Date

23/09/2025

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

Section 14(1) of the Audit and Accounts Regulations 2015 requires the period of public rights should be a 'single period of 30 working days'. The council provided a period of 24 working days in 2024/25 for the review of their records which is a breach of the regulation. In future the council should ensure that it calculates and provides a period of precisely 30 working days.

We would anticipate the council taking these issues into account when it completes assertion 4 on its 2025/26 Annual Governance Statement.

Incomplete information was provided with the initial supporting data submitted for review with regards to significant variances, bank reconciliation and breakdown of reserves which were later provided on request. The parish council should in future ensure that all the necessary supporting information is provided with their annual submission.

Section 2 of the AGAR was initially submitted without the trust fund disclosures in box 11a and box 11b completed. This was later resubmitted with a 'yes' answer to box 11a and a 'not applicable' answer to 11b. Since it appears that the council are not a sole trustee based on trust fund disclosures on other sections, the response to box 11a should have been 'no'.

On the initial submission of Section 2 of the Annual Governance and Accountability Return there was a transposition error contained within box 2 for the comparative year (figure should have read £25,600 but it read £26,500). This was later corrected, resubmitted, and correctly republished on the council's website, we have no further concerns in this area. When inputting the comparative numbers for the return, care should be taken to ensure this agrees to the prior year's audited return accurately.

Last year the External Audit Report noted that the Notice of Public Rights was not advertised correctly. Therefore, we expected a 'no' response to control objective M on the Annual Internal Audit Report.

On review of year end reserves it was noted that all of the reserves held by the council appeared to be earmarked for a specific purpose. Whilst it is understood that councils should not hold large volumes of reserves without purpose, it needs to be recognised that it is highly unlikely that any budget will account for every eventuality for up to a year in advance and therefore an element of general reserve is a practical necessity. Best practice suggests this level should be at least 3 months expenditure as a minimum. The council should monitor its general reserve levels and ensure it takes appropriate action to redesignate any earmarked reserves for general purposes should it become necessary.