Section 3 - External Auditor Report and Certificate 2024/25

In respect of **East Hanney 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 council have exceeded the thresholds for the receipts and payments basis of accounts for three consecutive years therefore the income and expenditure (accruals) basis is required, with the comparative year amended to be on the same basis. As Section 2 has been prepared on a receipts and payments basis Assertion 1 should have been answered 'No'.

The council have answered 'N/A' to box 11b of Section 2 of the AGAR however this is inconsistent with the answer given in Box 11a of Section 2. The council is the sole trustee of 'Charity of James Robins Holmes' (Charity No. 258855) therefore Box 11b should have been completed with a 'Yes' or 'No' response in accordance with Paragraph 2.31 of JPAG Practitioners' Guide 2024.

The council should have answered 'No' to Assertion 7 of Section 1 of the Annual Governance and Accountability Return as they did not take appropriate action on matters reported from internal and external audit in prior years.

The AGAR was not approved until after 30 June 2025 which is a breach of the Accounts and Audit Regulations 2015. This is a repeated issue.

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'.

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

The inspection period for the exercise of electors' rights provided in respect of the 2024/25 AGAR does not include the first ten working days of July as specified in the Accounts and Audit Regulations, Part 15 (1).

The inspection period for the exercise of electors' rights was set for 31 working days which is more than the mandatory 30 working days as set out in the Accounts and Audit Regulations 2015, Paragraph 14(1). Although this is considered to be a minor technical breach, given more than the standard amount of time was provided for, in future the council should ensure it provides the precise public inspection period.

We would anticipate the council taking these into account when it completes Assertion 4 on its 2025/26 Annual Governance and Accountability Return.

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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	External Auditor Signature	Date
MOORE		07/08/2026

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

The published Notice of Public Rights requires the name/signature of the person placing the notice to be entered at (e) on the form. Accounts and Audit Regulations 2015, Paragraph 15(2) states the declaration should be signed by the responsible financial officer. We note that the chair has signed the notice which does not comply with regulations, in future we would anticipate this to be the responsible financial officer.

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

The Internal Auditor has provided a 'Not applicable' response at control objective O on the Annual Internal Audit Report which relates to whether the council met its responsibilities as a trustee. We expected this control objective to be covered by the internal auditor and answered 'Yes' or 'No' to confirm whether the council met the responsibilities as it is a sole trustee of 'Charity of James Robins Holmes' (Charity No. 258855)

Upon review, the council's general reserves are significantly higher than the generally accepted level for smaller authorities. General reserves are the level of reserves after adjusting for any earmarked or ringfenced funds. Per Paragraph 5.34 of JPAG Practitioners' Guide 2024, best practice suggests that general reserves should cover at least 3 months of expenditure and anything greater than 12 months of expenditure is considered excessive. The council should review its requirement to hold reserves at that level and amend future budgets accordingly. It should also ensure that all ring-fenced/restricted monies held are properly identified.

Incomplete information was provided with the initial supporting data submitted for review with regards to significant variances, bank reconciliation, breakdown of reserves and breakdown of other income (box 3), 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.

Information to complete our intermediate testing supporting data need to be re-requested for submission. The parish council should in future ensure that all the necessary supporting information is provided with their annual submission.

Although the Council have confirmed that the Financial Regulations and Standing Orders were reviewed at the Annual Parish Council Meeting held in May 2024, these reviews were not listed on the agenda as to be undertaken during the meeting nor were they formally recorded in the minutes.

In addition to the above, the council have confirmed that they reviewed the risk register in March 2025, however the minutes appear to show the action as being required rather than being completed. In future the agenda for a meeting should accurately reflect the business to be undertaken at that meeting and minutes should clearly identify each decision made and action taken at and in the meeting. If a decision/action is deferred to a future meeting this should also be recorded.

When initially submitted the figures presented for the prior year did not agree to the figures per the AGAR our 2024 report was issued on. This was later corrected and resubmitted, 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.

On the original Section 2 - Accounting Statements submitted, the figures in boxes 1-6 did not cast down to the figure in box 7 with an imbalance shown of £36. The council reviewed and revised their return by amending boxes 6, 7 and 8 and we have no further concerns in this area.

We identified during our review of the Annual Governance and Accountability Return that box 10 of the prior year column (2024) on Section 2 - Accounting Statements had been correctly restated to the third-party evidence we have received from PWLB. However, on re-submission following the above amendments, the balance per box 10 was amended to the original, incorrect figure (should have read £45,890 but it reads £50,000). Due to the nature of the change, it appears to be accidental, but care must be taken to ensure the prior year's figures are correctly presented on the current year form.