

## Section 3 - External Auditor Report and Certificate 2024/25

In respect of

Cropredy 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.**

Section 1 of the AGAR was completed as approved on 14/04/2025 with a minute reference 'Note 9'. Section 2 of the AGAR was dated as approved on the same day and with the same minute reference. On investigation (due to the same minute references used), the minutes found on the parish council's website clearly show both Sections 1 and 2 were approved at the meeting held on 14/04/2025 and recorded as minute item 14. As such, the minute references reflected on the AGAR are incorrect. We would expect any future minute references to match back to the reference provided in those minutes.

Section 16(1) of the Accounts and Audit Regulations 2015 requires the Notice of Conclusion of Audit to be published on the authority's website. In future, the council should ensure that this notice is available on their website alongside the signed external audit report and the audited AGAR.

The Internal Auditor identified that the council does not have an updated asset register which records fixed asset movements and values during the year. The council is required to maintain such records and update them regularly. Therefore, we would have expected a 'No' at Assertion 1 of the 2024/25 Annual Governance Statement.

Several issues that were noted on the 2023/24 external audit report have been repeated in the current year. 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 as these issues were repeated this year.

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

The full internal audit report was not provided with the initial supporting data submitted for review to help explain the 'No' response to Control Objective C on the Annual Internal Auditor Report. This response was also answered 'No' on the 2023/24 Annual Internal Auditor Report in which it was noted that there was a lack of authorisation controls of payments made by the Council and hence an internal control issue. Since we have not received any explanation in regards to the 'No' response on the current year's report, we are unable to determine whether the council have acted upon such issue and whether Assertion 2 or Assertion 5 should have been 'No' on the Annual Governance Statement. The parish council should in future ensure that explanations for any 'No' responses are provided with their annual submission. We would anticipate the council acting on the internal auditor's responses and ensuring adequate internal controls exist, if not already fully implemented.

The Internal Auditor has signed off the Annual Internal Audit Report 2024/25 after the Section 1 Governance Statement 2024/25 was approved. As the completed 2024/25 report was not available for review and consideration with the form, it is presumed that the Assertions in Section 1: Annual Governance Statement refer to the previous year's internal audit report and /or to other checks performed by the council.

We undertook a brief review of the council's website during the public rights period and noted that during the council's notice of public rights period the council's website did not include a copy of the notice or a copy of the AGAR to satisfy the Accounts and Audit Regulations 2015, Paragraph 15(2). The council should ensure that both the notice and AGAR is published on the council's website. We would anticipate the council taking this into account and respond 'no' to Assertion 4 on its 2025/26 Annual Governance and Accountability Return.

Boxes 1-6 of Section 2 of the AGAR do not arithmetically add down to box 7 by £1 when summed. When rounding the numbers for the return care should be taken to ensure boxes 1-6 sum to box 7 in accordance with Paragraph 2.19 of JPAG Practitioners' Guide 2024 and that box 7 agrees or reconciles to box 8 as is required per Paragraph 2.23 of JPAG Practitioners' Guide 2024.

Upon review, general reserves appear to be held at a low level. The council should keep this under review and ensure that they have sufficient general reserves to cover expenditure. Per Paragraph 5.34 of JPAG Practitioners' Guide 2024, best practice suggests this should generally be at least 3 months expenditure as a minimum. These cannot include ring fenced funds and should avoid including funds which are designated for another purpose.

### 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



A handwritten signature in black ink, appearing to read "Mace", written over a horizontal line.

25/09/2025

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