

## Final External Auditor Report and Certificate 2023/24 in respect of Ashdon Parish Council EX0009

### 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 2024; 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 2023/24

On 19 September 2024, 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 2024. 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 AGAR was not accurately completed before submission for review. Please ensure that amendments are corrected in the prior year comparatives when completing next year's AGAR.:
  - We note that the smaller authority has removed the value of the Village Hall from the figure for fixed assets in Section 2, Box 9 in the current year as this asset belongs to the charitable trust for which the smaller authority is sole managing trustee. This is the correct accounting treatment but the comparative figure in Box 9 should have been restated to be on the same basis. Please also note that any assets for which the smaller authority is custodian trustee should be included in the fixed asset register but at zero cost.
  - Trust fund transactions and balances have not been excluded from the prior year figures in Section 2. We note that in 2023/24 the trust transactions went through the trust's own bank account and were correctly not included in the AGAR. The responses given in Section 1, Box 9 and Section 2, Boxes 11 (a) and (b) reflect this treatment.

- The prior year accounts were prepared on an income and expenditure basis but should have been restated on a receipts and payments basis in the prior year column of Section 2 for comparative purposes.
- 2) Section 1, Assertion 1 has been incorrectly completed and should have been answered 'No' as a result of the following:
- The smaller authority failed to approve the AGAR in time to publish it before 1 July 2024, the date required by the Accounts and Audit Regulations 2015.
  - The smaller authority set the precept for 2024/25 prior to approving the budget. The Practitioners' Guide requires that the budget be prepared and approved in a timely manner before setting a precept and prior to the commencement of the new year. As a result, this assertion should have been answered 'No'.
  - The smaller authority has confirmed that while there are summary figures to back up the fixed asset figure in Section 2, Box 9 by category, there was a lack of information available to be able to identify the individual assets within each category. An exercise has been carried out since the year end to recreate a detailed fixed asset register which shows a breakdown of each individual asset value in accordance with the smaller authority's new fixed asset policy. The smaller authority should ensure that the comparative figure for fixed assets in the 2024/25 AGAR is restated to be on the same basis of valuation.
- 3) Section 1, Assertion 2 has been incorrectly completed. In February 2024 a three year contract with Worknest was entered in to on behalf of the smaller authority by one of the Councillors following approval at the meeting held on 19 February. In January 2024 the smaller authority had adopted the NALC model financial regulations which state in paragraph 10.4 that "A member may not issue an official order or make any contract on behalf of the Council". As a result of this breach of financial regulations the smaller authority should have answered 'No' to this assertion.
- 4) Section 1, Assertion 3 has been incorrectly completed and should have been answered 'No' as a result of the following:
- Information received from the internal auditor highlights that the smaller authority has not adopted a model publication scheme as required under the Freedom of Information Act 2000. As a result, this assertion should have been answered 'No'.
  - Information has come to our attention highlighting the fact that the smaller authority did not have an email management system in place during the year under review whereby it had an email account that belonged to the smaller authority and to which the smaller authority had access. This has been rectified since the year end.

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

- 1) We note that the smaller authority did not comply with Regulation 15 of the Accounts and Audit Regulations 2015 as it failed to make proper provision during the year 2024/25 for the exercise of public rights, since the period for the exercise of public rights was less than 30 consecutive working days in length and the approval date was after the start of the period for the exercise of public rights. As a result, the smaller authority must answer 'No' to Assertion 4 of the Annual Governance Statement for 2024/25 and ensure that it makes proper provision for the exercise of public rights during 2025/26.
- 2) In the completion of the Annual Internal Audit Report, and their detailed report, the internal auditor has drawn attention to weaknesses in relation to risk assessment. The smaller authority must ensure that action is taken to address this area of weakness in a timely manner.
- 3) We are aware that there has been some dispute regarding the accuracy of the minutes of the meetings held on 19 February and 8 April 2024. We note that the amended minutes of the meeting held on 19 February and the minutes of the meetings held on 8 April, 2 May and 23 May 2024 were all approved in the meeting on 17 June 2024. We would remind the smaller authority that any errors in the minutes should be corrected in the following meeting.

- 4) We note that the smaller authority had not provided a formal contract of employment for the clerk and that this was being negotiated during the year. We further note that no pension contributions were made by the smaller authority. Best practice would be that all employees have a contract of employment in place with copies being kept by the smaller authority and that pension requirements are considered on a regular basis and any related decisions made are included in the minutes. We are concerned that the smaller authority may not have complied with the Pensions Acts 2004-2015. In future any employees must be provided with a contract of employment and the smaller authority should ensure that it is registered with HMRC and the pensions regulator.
- 5) We received challenge correspondence in relation to the 2023/24 AGAR which we considered before completing our work. The authority will receive an invoice in relation to this additional work.

**External auditor certificate 2023/24**

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 2024.

*PKF Littlejohn LLP*

**PKF Littlejohn LLP****22/05/2025**