Section 3 – External Auditor's Report and Certificate 2023/24

In respect of **Hampton Parish Council – CA0119**

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 2024; and
• confirms and provides assurance on those matters that are relevant to our duties and responsibilities as external auditors.

2 External auditor's limited assurance opinion 2023/24

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.

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, and did not disclose this by answering 'No' to Section 1, Box 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:

- Section 2, Box 8 does not agree to the bank reconciliation. The figure in Box 8 should read £239,911.
- Section 2, Box 9, total fixed assets, has been left blank for both the current and prior years. The smaller authority has confirmed that it did own fixed assets in both years and that a recent exercise has been carried out to verify the fixed assets held and their value. Please ensure that the correct fixed asset figures are included on next year's AGAR for both 2024/25 and in the comparative column for 2023/24.
- Information received from the internal auditor indicates that allotment rents have been omitted from the AGAR. Please ensure that all income is included in future.

Section 1, Assertions 1 and 2 have been incorrectly completed. In the completion of their detailed report, the internal auditor has drawn attention to significant weaknesses in respect of the approval of bank reconciliations during the year, authorisation procedures, lack of access to the 'petty cash' bank card, lack of budget monitoring, lack of an up to date asset register, accounting errors and reserves reporting. This is consistent with their responses to Internal Control Objectives A, B, D, H, I and J in the Annual Internal Audit Report. As a result these assertions should have been answered 'No'.

Section 1, Assertion 5 has been incorrectly completed. In the completion of the Annual Internal Audit Report and their detailed report, the internal auditor has drawn attention to significant weaknesses in the management of risk. There is no evidence that the risk assessment was reviewed and approved by full Council during the year under review. As a result, this assertion should have been answered 'No'.

The smaller authority has disclosed that it made proper provision during the year 2023/24 for the exercise of public rights, by answering 'Yes' to Section 1, Assertion 4. However, as was reported last year, we are aware that it failed to do this and therefore should have answered 'No' to this Assertion. It has also disclosed that it took appropriate action on all matters raised in reports from internal and external audit, by answering 'Yes' to Section 1, Assertion 7, which, on the basis of the above, is not correct.

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

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 did not include the first 10 working days of July. 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.

In the completion of the Annual Internal Audit Report, and their detailed reports, the internal auditor has drawn attention to weaknesses in relation to internal control objectives L and N regarding documentation published on the website. The smaller authority must ensure that action is taken to address this area of weakness in a timely manner.

The smaller authority has not provided sufficient information to explain the restatements to Section 2, Boxes 3 and 6 for the 2022/23 year.

3 External auditor certificate 2023/24

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 2024.

External Auditor Name

PKF LITTLEJOHN LLP

External Auditor Signature PKF Littlejohn LLP

Date 02/04/2025