

Section 3 - External Auditor Report and Certificate 2024/25

In respect of **Shipston on Stour Town 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.

As noted in the other matter section below, the council have not correctly provided for the Notice of Public Rights for 2024/25.

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'.

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.

These issues were all raised on the prior year's External Audit Report and hence none of them have been 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.

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

It was noted on review that the Period for Public Rights was announced and commenced prior to the approval of the Annual Governance and Accountability Return. Regulation 12 – 15 of the Accounts and Audit Regulations 2015 set out the order required to be followed when approving, announcing, and publishing the Return and related documents in order to satisfy the Public Rights requirements. The Return must be approved prior to the Notice being published. To be able to demonstrate this, proper practice requires that the Notice is published no sooner than the day following the approval meeting and the Public Rights period commences no sooner than the next working day after that. We would anticipate the council taking these issues into account when it completes assertion 4 on its 2025/26 Annual Governance and Accountability Return.

The internal auditor has provided a 'yes' response at control objectives L and N on their report. This suggests that the council correctly published all relevant documents on its website. As the council currently has not published the notice of conclusion of audit for the prior year, the answer to these points should have been 'no'.

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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

18/09/2025

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

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

There is no evidence to suggest that the internal and external audit reports were considered and discussed by the council. In future, all points raised on the internal and external audit report should be considered, discussed and if necessary actioned at a meeting and clearly evidenced in the minutes of this meeting in line with best practice as suggested by Paragraph 5.103 of JPAG Practitioners' Guide 2024.

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

Please note that the breakdown of other income (box 3) was not provided to us on the initial submission of the AGAR and supporting documentation, when it was required due to the value of the figures. It was later provided on request however the total did not agree to box 3. Please would you ensure this document is included within the initial submission going forwards when required and agrees back to box 3.

The council hold themselves to be the sole trustee for the Mayo Road Recreation Ground (Charity Reg No. 1117619) and have completed the AGAR form on that basis. It has been identified that this is not how the Charity Commission website reflects the trusteeship and therefore the council need to establish their trustee status and ensure the Charity Commission website is updated for this.

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. As noted in the paragraph above, there appears to be some confusion about whether or not the council are sole trustee of the Mayo Road Recreation Ground (Charity Reg No. 1117619), therefore this response appears to be inconsistent with the rest of the AGAR.

Insufficient information was provided with the initial supporting data submitted for review with regards to explaining significant variances to within the higher of 15% or £500. We were able to obtain additional information from the website. The town council should in future ensure that all the necessary supporting information is provided with their annual submission.

The Internal Auditor did not complete control objective I on the Annual Internal Audit Report. No additional explanation or information has been provided therefore we have been unable to take any assurance from the Internal Audit Report in respect of this matter.