

Section 3 - External Auditor Report and Certificate 2024/25

In respect of **Oakham 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.

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.

Section 12 of the Audit and Accounts Regulations 2015 requires the RFO to complete Section 2 of the Annual Governance and Accountability Return prior to passing it to the council for its approval. This year, the council approved the Return before the RFO which is a breach of this regulation. In future the council should ensure the form is duly completed prior to it considering it for approval.

It was noted by the Internal Auditor that whilst monthly bank reconciliations may have been completed, none have been signed or referenced as being agreed in the minutes as required by Paragraph 1.10 of JPAG Practitioners' Guide 2024. Therefore, since this is a breach of proper practices, we would have expected Assertion 1 on the Annual Governance Statement to have been answered 'No'.

We identified during our initial review of the Annual Governance and Accountability Return that boxes 4 and 6 of the prior year column (2023/24) on Section 2 - Accounting Statements has been restated. The council explained that these amendments were made because they had identified that pension costs were incorrectly recorded within box 6 instead of box 4 as required by Paragraph 2.15 of JPAG Practitioners' Guide 2024. However, the column has not been marked as 'Restated' to bring it to the attention of the reader.

The council have provided an explanation to explain the significant variances in box 3 however the explanation provided has not been deemed to be sufficiently detailed & meaningful to explain the reasons for the change as required by proper practices (Paragraph 2.37 of JPAG Practitioners' Guide 2024). The parish council should in future ensure that all the necessary supporting financial information is provided with their annual submission to help explain all significant variances to within either 15% or £500. We also did not receive a breakdown of other income (box 3) as part of our testing and therefore we are unable to confirm that the budgeting processes are adequate and that proper practices have been followed in regards to this area.

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

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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

26/09/2025

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

On review of the minutes where the approval of both Section 1 and Section 2 was made, it was noted that the date of the meeting, and therefore the date of approvals of the AGAR, is stated to have taken place on Wednesday 23rd June and not 20th June as it was recorded on the AGAR. The 23rd June was not a Wednesday and also we were informed that an extra-ordinary meeting was being held on 20th June at 6.30pm to sign off on the Internal report and AGAR. Therefore, it is unclear whether the date of approvals on the AGAR is correctly stated or the dates on the meeting records are incorrectly noted.

The Annual Internal Audit Report submitted to us does not have all objectives completed. The full internal auditors report outlines the objectives that cannot be ticked as 'Yes' or 'N/A' and we can therefore assume that all incomplete objectives should be marked as 'Yes'. Furthermore, we then noted that a completed Annual Internal Audit Report was published to the council's website, with the objectives completed as yes, which confirms our previous conclusion. In future, we would expect the council to submit the fully completed form.

The council's website was not entered on Section 1 of the Annual Return on the initial submission. The parish council should take care to ensure the form is fully completed in the future to ensure full compliance with the regulations and code of practice. The form was later amended and resubmitted to us with this being completed however the resubmitted form included electronic signatures (rather than wet signatures) and both the name of the council and Assertion 9 (which was originally responded with a 'N/A' response) were left incomplete.

Section 2 of the AGAR was initially submitted without the Trust Fund disclosures in box 11a and box 11b completed. This was later resubmitted with a 'No' answer to box 11a and 'N/A' answer to box 11b which was in line with our expectations and so there are no further concerns in this area.

The council has not provided the requested supporting data for intermediate testing. We have been able to obtain some information from the council's website for our additional testing however we are unable to confirm whether the council actively monitors actual performance compared to budgeted performance as required by Paragraph 1.8 of JPAG Practitioners' Guide 2024. However, we note that the Internal Auditor was satisfied with this point. The council should ensure in future that all requests are responded to and all information is sent.

Incomplete information was provided with the initial supporting data submitted for review (i.e. year end bank reconciliation, explanation of significant variances, breakdown of reserves held as at year, reconciliation between boxes 7 & 8), which was later provided on request. The parish council should in future ensure that all the necessary supporting information is provided with their annual submission.

The council has not provided the requested details regarding the significant income in the year. In future, the council should ensure that all queries sent by the external auditor are responded to before the set deadline.

As noted by the Internal Audit Report recommendation, the council should ensure that it considers in its Risk Assessment how to mitigate the risk of reduction in staff resource, as demonstrated with the limited access to systems in the clerk's absence.