Section 3 - External Auditor Report and Certificate 2025/26

In respect of **Budbrooke 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 2026; 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 2025/26

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.

The council should have answered 'No' to Assertion 7 of Section 1 of the Annual Governance and Accountability Return as they did not take appropriate action on matters reported from internal and external audit from 2024/25.

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

The External Auditors noted on the 2024/25 audit report that the council understated boxes 3 and 4 of the 2025 year by £509 as a result of any amounts paid or received for refunds or reimbursements not being reported gross as required by proper practices when preparing on the Receipts & Payments basis, and for these figures to be restated and marked as such when preparing the 2025/26 AGAR. Therefore, we would have expected the comparative column on the AGAR to have been restated to reflect the correct values for boxes 3 and 4 and to have been marked in a way to draw it to the attention of the reader. We do not anticipate this being an issue next year since this relates to the 2025 figures.

Section 2 of the AGAR was initially submitted without a response to the Trust Fund disclosure at Box 11. This was later resubmitted with a 'No' response. However, based on the information available to us, it appears that the council are not a sole trustee therefore we would have expected a 'Yes' response to this box per Paragraph 2.32 of SAPPP Practitioners' Guide 2025.

The council provided explanations for the variances on Box 4 and Box 6 on Section 2 of the AGAR from the prior year to the current year. Whilst the explanations were reasonable, no values were initially provided in order to support the movements. These were later provided on request. The parish council should in future ensure that all the necessary supporting financial information is provided with their annual submission. This is a repeated issue.

The bank reconciliation was not provided on the initial submission, once received there were no issues noted. This is one of the supporting documents we require on the initial submission as per Paragraph 2.39 of the SAPPP Practitioners' Guide 2025 therefore please note this for the future.

The Internal Auditor has provided a 'Yes' response at control objective K on their report. This suggests that the council correctly claimed exemption from audit in the previous (2024/25) year. As the council was not exempt and did not claim exemption, the answer to this control objective should have been 'Not covered'. We note that this is a repeated point therefore please could the council bring this to the attention of the internal auditor.

3 External auditor certificate 2025/26

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 2026.

External Auditor Name	External Auditor Signature	Date
MOORE	Moore	15/07/2026