

Section 3 – External Auditor's Report and Certificate 2025/26

In respect of **Stock Parish Council – EX0237**

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's 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 (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 by 1 July 2026, 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 has not been signed in accordance with the Accounts and Audit Regulations 2015:

- Section 2 was not signed by the Responsible Finance Officer before approval.

The AGAR was not accurately completed before submission for review:

- The responses given in Section 1, Box 9 and Section 2, Box 11 are not consistent. The smaller authority has confirmed it is not a sole managing trustee and should have answered 'N/A' to Section 1 Box 9 and 'Yes' to Section 2 box 11.
- The smaller authority has not addressed the 'except for' matters raised by the external auditor when qualifying the prior year annual return. The smaller authority has confirmed that it owns fixed assets, but that the recognition policy for those fixed assets is to value them all at £Nil as they were fully depreciated in the year. The Practitioner's Guide states that smaller authorities need to apply a reasonable approach to asset valuation which is consistent from year to year. In particular, the guide states that where assets are gifted at zero cost to the authority, they should be recorded at a nominal value of £1. The smaller authority must restate the 2025/26 Section 2, Box 9 in the 2026/27 AGAR and ensure that it complies with the Practitioners' Guide requirements in respect of fixed assets.

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

The smaller authority has not arranged for an independent internal auditor to review the internal controls and give their conclusion in the Annual Internal Audit Report. The Annual Internal Audit Report was signed by the RFO. If no independent internal audit work is carried out before 31 March 2027, it must disclose this by answering 'No' to Assertion 6 of the Annual Governance Statement on the 2026/27 AGAR. In future years, the smaller authority must maintain an adequate and effective system of internal audit of the accounting records and control systems.

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 2026/27 for the exercise of public rights, since 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 2026/27 and ensure that it makes proper provision for the exercise of public rights during 2027/28.

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

PKF LITTLEJOHN LLP

External Auditor Signature

Date

28/09/2026