Section 3 – External Auditor's Report and Certificate 2024/25

In respect of Lytchett Matravers 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 2025; 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 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 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 has disclosed that it made proper provision during the year 2024/25 for the exercise of public rights, by answering 'Yes' to Section 1, Assertion 4. However, the internal auditor has noted that the notice was published on the website the day after the announcement stated. This is consistent with the internal auditor responses to internal control objective N in the annual internal audit report.

In the explanation of variances for Box 3, there is a VAT refund of £13,797.
This should have been accounted for using debtor and creditor accounts as the authorty reports under income & expenditure.

(continue on a separate sheet if required)

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

The smaller authority has confirmed that it has not complied with the governance assertions in Section 1, Box 7 but it has provided the appointed auditor with an adequate explanation for non-compliance.

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 2025/26 for the exercise of public rights, since the period for the exercise of public rights commenced on the same day as the announcement. As a result, the smaller authority must answer 'No' to Assertion 4 of the Annual Governance Statement for 2025/26 and ensure that it makes proper provision for the exercise of public rights during 2026/27.

The Smaller Authority has restated the prior year figures. We have reviewed the adjustments made.

The smaller authority should give consideration to their level of reserves as, after accounting for earmarked reserves, general reserves are low. The Practitioners Guide notes that the generally accepted recommendation with regard to the appropriate minimum level of a smaller authority's general reserve is that this should be maintained at between three and twelve months of net revenue expenditure, dependent on the size and activity level between councils. The smaller authority's general reserves represent less than three months of expenditure.

The AGAR was not accurately completed before submission for review:
• The date the Accounting Statements was approved was incorrect.
The AGAR was returned for amendment and corrected.

To be in line with best practice we recommend that when minuting the appointment of the internal auditor, the council record they have considered the independence of the appointed auditor on an annual basis.

Following the Internal auditors review of the smaller authority's processes and controls, some recommendations were raised. These recommendations should be reviewed and acted upon appropriately by the smaller authority.

(continue on a separate sheet if required)

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

BDO LLP - Southampton

External Auditor Signature DocuSigned by: BDO LLP 467DFB746A8A428.. Date 22 September 2025