Section 3 - External Auditor Report and Certificate 2025/26

In respect of **Adderbury 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

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.

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

Boxes 1-6 of Section 2 of the AGAR do not arithmetically add down to box 7 by £1 when summed. When rounding the numbers for the return care should be taken to ensure boxes 1-6 sum to box 7 in accordance with Paragraph 2.20 of SAPPP Practitioners' Guide 2025 and that box 7 agrees or reconciles to box 8 as is required per Paragraph 2.24 of SAPPP Practitioners' Guide 2024.

On initial review of year end reserves it was noted that all reserves held by the council appeared to be earmarked for a specific purpose or restricted. On further review, the council have recorded an earmarked reserve noted as 'Precept'. Without any specific indication otherwise, it would appear that these are funds held to cover day-to-day operations of the council and therefore should be included within general reserves rather than earmarked reserves. After consideration of such amount as a general reserve, these appear to be held at a low level and we are aware that the council is keeping this under review to ensure that they have sufficient general reserves to cover expenditure. Per Paragraph 5.34 of the SAPPP Practitioners' Guide 2025, best practice suggests this should generally be at least 3 months expenditure as a minimum. These cannot include ring fenced funds and should avoid including funds which are designated for another purpose.

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