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

In respect of **Polegate Town Council – ES0078**

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 (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 has not addressed the 'except for' matter raised by the external auditor when qualifying the prior year AGAR. There were unpaid direct debits as at the year end incorrectly included as reconciling items in the bank reconciliation for Section 2, Box 8 in 2023/24. Box 8 for 2023/24 should have been restated to £956,465.

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

None.

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

PKF LITTLEJOHN LLP

External Auditor Signature PKF Littlejohn LLP

Date 05/08/2025

Response to External Audit Qualification of the 2024/25 Accounts

During the year-end process, our previous payroll provider did not submit the NEST pension contribution in time, resulting in the associated direct debit appearing on the April 2025 bank statement. As the payment related to the 2024/25 financial year, both the year-end close-down service and the internal auditor advised that the amount should be included in the 2024/25 accounts.

However, the external auditor has taken a different view and queried whether the accounts would be restated to exclude this amount. As the original advice supported its inclusion, the accounts were submitted accordingly, leading to a qualified opinion from the external auditor.

Action to be Taken:

- No retrospective action is required at this stage.
- Going forward, we will ensure that our new payroll provider submits NEST contributions in a timely manner to ensure the corresponding direct debit falls within the correct financial year.
- We will also seek clarification in advance of the next year-end on whether to restate the figure in line with the external auditor's position or to continue presenting it as originally advised, in order to avoid a repeat qualification.

Special Full Council Report:

IT Equipment Purchase Proposal:

Purpose: To seek Council approval for the purchase of laptops and associated accessories for three staff members. This investment aims to enhance operational efficiency and ensure secure access to Council Systems and replace existing desktop computers which are now end-of-life. Windows 10 support will cease in October 2025, meaning no further security updates will be available.

Proposal Summary:

Approval is requested for the procurement of IT equipment and software licenses for three staff members. The proposed items and associated costs are as follows:

Equipment and services:

- 3 laptops
- 3 keyboards and mice
- Laptop setup and configuration (workshop preparation)
- **Total: £2,500**

Software and security:

b. Adobe Pro Licenses: **£243 + VAT**
c. Cyber essentials: **£600**

Total Cost: £3,343

The total expenditure is expected to be in the region of **£3,500**, inclusive of hardware, software, setup and security certification. This cost will be met from **general reserves.**

Rationale:

The provision of dedicated IT equipment is essential to:

- Ensure secure and reliable access to Council systems and sensitive data
- Equip staff with the necessary tools to deliver services effectively, securely and efficiently

It is recommended that Full Council approve the proposed expenditure to support staff in their roles and improve overall service delivery, £3,500 from general reserves.