

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

In respect of

Penshurst 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'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, 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.

See separate report

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

See separate report

3 External auditor certificate 2025/26

We certify/do not 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

*We do not certify completion because:

Not applicable

External Auditor Name

Forvis Mazars LLP, Newcastle Upon Tyne, NE1 1DF

External Auditor Signature

Forvis Mazars LLP

Date

2 September 2026

Introduction

This page is part of Section 3 – External Audit Report 2025/2026

The following matters have been raised to draw items to the attention of Penshurst Parish Council. These matters came to the attention of Forvis Mazars LLP during the review of the Annual Governance and Accountability Report (AGAR) for the year ended 31 March 2026. This report must be presented alongside the AGAR to a full meeting of the smaller authority for review.

The review of the annual return may not disclose all shortcomings of the systems as some matters may not have come to the attention of the auditor. For this reason, the matters raised may not be the only ones that exist.

Except for the matters reported below on the basis of our review of the annual return, in our opinion the information in the annual return is in accordance with proper practices and no other matters have come to our attention giving cause for concern that relevant legislative and regulatory requirements have not been met.

In undertaking the review of the 2025/26 Annual and Accountability Return (AGAR) it came to our attention that the Council had not put in place arrangements for effective financial management during the year, and for the preparation of the accounting statements. The Council incorrectly answered 'Yes' to assertion 1 in the 2025/26 Annual Governance Statement. The Council is required to publish charging schedules for transparency purposes and consistency, and that allotment fees should be reviewed annually at the time of budget setting. The Council should review its arrangements to ensure effective financial management during 2026/27 and should tick the relevant assertion as 'No' if arrangements are not considered sufficient.

The Accounts and Audit Regulations require that the Authority retains copies of the Annual Governance and Accountability Return (AGAR) readily accessible for 5 years (Paragraph 13.2). This requirement has not been met; however, the Council answered "Yes" to Assertions 3 and 4 in Section 1 regarding compliance with laws and regulations in general and specifically observing the elector's rights contained in the Accounts and Audit Regulations. In 2026/27 the Council needs to put in place arrangements to ensure that it fully complies with the Accounts and Audit Regulations.

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

As acknowledged in the Annual Governance Statement in Section 1 and the Internal Audit report, the Council has not reviewed a formal assessment of its risks in 2025/26. In future, the Council needs to ensure that it carries out an annual assessment of the risks it faces and identifies appropriate mitigating actions recording its consideration at full council before 31 March each year.

In undertaking the review of the 2025/26 Annual and Accountability Return (AGAR) it came to our attention that the Council had not put in place arrangements for the effective information technology and data management in accordance with proper practices during the year under review. The Council has correctly answered "No" to assertion 10 in the 2025/26 Annual Governance Statement. In future, the Council should ensure it complies with proper practices in this area and should tick 'No' to assertion 10 if this is not achieved in 2026/27.

Box 11 of Section 2 of the Annual Governance and Accountability Return (AGAR) has been incorrectly completed. The Council has recorded "No" where "Yes" would have been appropriate, as it does not act as a sole-managing trustee and should therefore confirm the exclusion of trust fund transactions. Although the intended position can be inferred from other disclosures within the AGAR, it is acknowledged that the updated wording of the 2025/26 form may have contributed to this misinterpretation. The Council is reminded of the importance of accurate completion of all assertions to ensure clarity and compliance with proper practices.

No other matters came to our attention.

For and on behalf of Forvis Mazars LLP

Date: 2 September 2026