

Section 3 - External Auditor Report and Certificate 2023/24

In respect of **Great Milton 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 2024; and
- confirms and provides assurance on those matters that are relevant to our duties and responsibilities as external auditors

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Except for the matters report 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 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.

The announcement date provided on the Notice of Public Rights showed that the period was announced (published) on the same day as it commenced. This is contrary to the Accounts and Audit Regulations 2015, Part 15(3) which states this should be published no later than one day before the date of that commencement. In future the Council needs to provide a minimum of 1 day as notice prior to the commencement of the period of public rights. We would anticipate the Council taking these issues into account when it completes Assertion 4 on its 2024/25 Annual Governance and Accountability Return.

The Council have not provided explanations to explain the significant variances in Boxes 3 and 6 to bring them within the acceptable level of 15% or £500. This is required by the Accounts and Audit Regulations and proper practices. We are therefore unable to confirm that the budgeting processes are adequate and that proper practices have been followed.

A review of the Council's website, the Finance section and using the search function, has identified that the Council does not appear to have fully met the requirement of the Accounts and Audit Regulations 2015, Regulation 13 (1) which states that the final audited Annual Governance and Accountability Return should, on conclusion of the audit, be available for public access, which includes publication on the Council's website. The Council amended Section 2 of their 2022/23 return year during the 2022/23 review process however only the original version of the return is visible on the Council's website. In addition, it appears that the 2023 notice of conclusion has not been published to the website as is required by regulation 16 of the Accounts and Audit Regulations 2015. The Council should bring these points into line with the regulations as soon as practically possible.

The figure entered in Box 8 for the 2024 year appears to be incorrectly stated. The bank reconciliation provided by the Council support this figure being £37,742 whereas Box 8 per the AGAR is £37,992. We would anticipate the affected figures being restated, and marked as such, on the production of the 2024/25 Annual Return or Assertion 1 being responded to as 'no'.

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

See Continuation Sheet

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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 2024.

External Auditor Name

 **MOORE**

External Auditor Signature



Date

30/09/2024



Great Milton Parish Council

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Continuation Sheet

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

Boxes 1-6 of Section 2 of the AGAR does 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 2.19 of JPAG Practitioners' Guide 2023 and that box 7 agrees or reconciles to box 8 as is required per Paragraph 2.23 of JPAG Practitioners' Guide 2023.

On review, the council's general reserves are higher than the generally accepted level for smaller authorities. General reserves are the level of reserves after adjusting for any earmarked or ringfenced funds. Per Paragraph 5.33 of JPAG Practitioners' Guide, best practice suggests that general reserves should cover at least 3 months of expenditure and anything greater than 12 months of expenditure is considered excessive. The council has assured that plans are in place to reduce the level of reserves.

On initial submission of the AGAR, Section 1 and 2 did not include the minute references, approval dates or the relevant signatures confirming approval at a meeting. A copy of the AGAR was later found on the councils website with this completed and confirms approval took place on 17th June 2024.

The bank reconciliation was not provided on the initial submission, but was later found on the website and there were no issues noted. This is one of the supporting documents we require on the initial submission as per Paragraph 2.24 of JPAG Practitioners' Guide 2023 therefore please note this for the future.

The Internal Auditor has answered 'No' to Control Objective D of their report which relates to the Precept requirement resulting from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate. No additional information has been provided so we are unable to assess if Assertions 1 or 3 are appropriately completed.

The Internal Auditor has answered 'Yes' to Control Objective I of their report which relates to periodic bank reconciliations being properly carried out. As the year end reconciliation does not accord with the accounts, we would have expected the answer to this to have been 'No'.

The Internal Auditor has answered 'Not Covered' to control objective L on the Annual Internal Audit Report. This control objective does not solely relate to the Transparency Code and therefore in future we would expect the Internal Auditor to cover this area, or for the council to ensure by other means that it is satisfying its publication requirements.

The Internal Auditor did not complete control objective O on the Annual Internal Audit Report. Given the Council are not a sole trustee, the response to this box should have been 'Not applicable'.
