

Section 3 - External Auditor Report and Certificate 2024/25

In respect of

Middleton 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 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 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 AGAR was not approved until after 30 June 2025 which is a breach of the Accounts and Audit Regulations 2015.

Section 16(1) of the Accounts and Audit Regulations 2015 requires the Notice of Conclusion of Audit to be published on the authority's website. In future, the council should ensure that this notice is available on their website alongside the signed external audit report and the audited AGAR.

Incomplete information was provided with the initial supporting data submitted for review with regards to significant variances. On request, the council later provided information however whilst the explanations for the significant variances in boxes 3 and 6 were reasonable, no values were provided in order to support the movement. In addition to this no explanation was provided for significant variances in boxes 7 and 8. Therefore the council have not provided us with sufficiently detailed & meaningful analysis and explanations of the reasons for the change as required by proper practices (Paragraph 2.37 of JPAG Practitioners' Guide 2024). The parish council should in future ensure that all the necessary supporting financial information is provided with their annual submission to help explain all significant variances to within either 15% or £500.

It was noted by the Internal Auditor that the council did not prepare nor approve a budget prior to setting the Precept as required by paragraph 1.8 of JPAG Practitioners' Guide 2024. Therefore, since this is a breach of proper practices, we would have expected Assertion 1 on the Annual Governance Statement to be answered 'No'.

It was noted by the Internal Auditor that there is a lack of authorisation controls of payments made by the council. Since this is an internal control issue, we feel a 'No' response to Assertion 2 on the 2024/25 Annual Governance Statement would have been more appropriate.

The council has answered 'Yes' to Assertion 4 of Section 1 of the Annual Governance and Accountability Return which relates to how the Notice of Public Rights was advertised within the financial year 2024/25. Therefore, it relates to the Notice announcing the public right to review the 2023/24 return which was published during 2024/25. As noted in the Auditor Report last year, this notice was not correctly advertised therefore this Assertion should have been answered 'No'.

We note that there have been several repeated issues on the points raised on the 2023/24 external auditor report. The council therefore should have answered 'No' to Assertion 7 of Section 1 of the Annual Governance and Accountability Return which relates to taking appropriate action on matters reported from internal and external audit as these issues were repeated this year.

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

See next page...

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

External Auditor Signature

Date



A handwritten signature in black ink that reads "Moore".

24/10/2025

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

The inspection period for the exercise of electors' rights provided in respect of the 2024/25 AGAR does not include the first ten working days of July as specified in the Accounts and Audit Regulations, Part 15 (1).

Section 14(1) of the Audit and Accounts Regulations 2015 requires the period of public rights should be a 'single period of 30 working days'. The council provided a period of 11 working days in 2024/25 for the review of their records which is a breach of the regulation. In future the council should ensure that it calculates and provides a period of precisely 30 working days which includes the first ten working days of July.

The published Notice of Public Rights requires the name, position and contact details of the person to contact to exercise public rights to be entered at line 2(b) on the form to satisfy the Accounts and Audit Regulations 2015, Paragraph 15(2)(b). The contact details have been missed from the notice this year. The council should ensure this is completed in the future.

We note that during the council's notice of public rights period the council's website did not include a copy of the notice or a copy of the AGAR to satisfy the Accounts and Audit Regulations 2015, Paragraph 15(2). The council should ensure that both the notice and AGAR is published on the council's website.

We would anticipate these issues being taken into account when completing Assertion 4 of the Annual Governance Statement on the 2025/26 AGAR.

Section 2 of the AGAR was initially submitted without the Trust Fund disclosures in Box 11a and Box 11b completed. This was later resubmitted with a 'No' answer to Box 11a and 'N/A' answer to Box 11b which was in line with our expectations and so there are no further concerns in this area.

Box 10 of Section 2 for both the current and comparative years were left blank on the submission of the AGAR. We consider there to be no significant impact from this omission based on third party evidence we have obtained, however the council should in future ensure that all boxes are fully completed in accordance with paragraph 2.5 of the Practitioners' Guide.

The bank reconciliation originally provided on the initial submission did not equal Box 8 of Section 2 as per Paragraph 2.24 of JPAG Practitioners' Guide 2024. A revised bank reconciliation has been submitted which appears to have corrected a typographical error. This reconciliation agrees to Box 8 of Section 2 and therefore no further concerns arise in this area. Please would the council ensure going forwards that the bank reconciliation submitted reconciles to the Box 8 figure per Section 2.

The Internal Auditor has provided a 'Yes' response at control objective K on their report. This suggests that the council correctly claimed exemption from audit in the previous (2023/24) year. As the council was not exempt and did not claim exemption, the answer to this control objective should have been 'Not covered'.

Last year the External Audit Report noted that the Notice of Public Rights did not include the first ten working days of July as specified in the Accounts and Audit Regulations 2015, Part 15 (1) and was not for a period of 30 working days as specified in Section 14 (1) of the Accounts and Audit Regulations 2015. Therefore, we expected a 'No' response to control objective M on the Annual Internal Audit Report.

On initial submission, control objective O of the Annual Internal Audit Report was not answered. This was later submitted with a 'not applicable' response which was in line with our expectations, so no further concerns raised.

The council had initially not approved the AGAR correctly, so had to reapprove it and recommence the Notice of Public Rights Period.