

## Section 3 - External Auditor Report and Certificate 2023/24

In respect of

Alston Moor 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

### 2 External auditor limited assurance opinion 2023/24

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.

It was noted on review that the Period for Public Rights commenced the same day as the approval of the Annual Governance and Accountability Return and that the announcement date was the day after that commencement. Regulations 12 – 15 of the Accounts and Audit Regulations 2015 set out the order required to be followed when approving, announcing, and publishing the Return and related documents in order to satisfy the Public Rights requirements. The Return must be approved prior to the Notice being published and commence the day after that Notice is published. To be able to demonstrate this, proper practice requires that the Notice is published no sooner than the day following the approval meeting and the Public Rights period commences no sooner than the next working day after that. Therefore we will anticipate a 'No' response to Assertion 4 when the 2024/25 AGAR is prepared.

The council has recorded a 'Yes' response at Assertion 1 effectively reporting that it has put in place arrangements for effective financial management during the year, and for the preparation of the accounting statements in accordance with the Accounts and Audit Regulations. Since control objective A and B of the Annual Internal Auditor's Report has been answered 'No' we would have expected Assertion 1 to be consistent with the Annual Internal Auditor's Report and also be answered 'No'.

The council has recorded a 'Yes' response at Assertion 3 effectively reporting that there are no matters of non-compliance with laws, regulations and Proper Practices. Since there is income and expenditure included in boxes 1-6 which relates to Alston Town Hall, which is the charity that the council are sole trustee for. While we understand the reasoning behind including the figures, the accounts have been prepared incorrectly and we would have expected Assertion 3 to be answered 'No'. We recommend that the charity sets up its own PAYE scheme or that the accounts for the council are prepared on an income and expenditure basis and any amounts relating to the charity be excluded. All other assertions in relation to this have been answered correctly.

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

Insufficient information was provided with the initial supporting data submitted for review with regards to the breakdown of reserves, which was later provided on request. On review of this information, 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 Return required to be amended in respect of Box 10 of Section 2 - Accounting Statements. This was originally left blank and resubmitted with a '0' inserted. The original return advertised to the public was therefore technically incorrect, but we consider there to be no significant impact from this omission. The Council should in future ensure that all boxes are fully completed in accordance with paragraph 2.5 of the JPAG Practitioners' Guide.

### 3 External auditor certificate 2023/24

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

10/09/2024

Annual Governance and Accountability Return 2023/24 Part 3

Local Councils, Internal Drainage Boards and other Smaller Authorities\*

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