Section 3 - External Auditor Report and Certificate 2025/26

In respect of **Millom Town 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 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 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 council should have answered 'No' to Assertion 7 of Section 1 of the Annual Governance and Accountability Return as they did not take appropriate action on matters reported from internal and external audit from 2024/25.

The council have exceeded the thresholds for the receipts and payments basis of accounts for three consecutive years therefore the income and expenditure (accruals) basis is required, with the comparative year amended to be on the same basis. As Section 2 has been prepared on a receipts and payments basis Assertion 1 should have been answered 'No'. We would anticipate the 2027 AGAR being prepared on the correct basis and the comparative (2026) column being restated, and marked as such, to be on the same basis.

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.

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

The Return required to be amended in respect of box 5 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 SAPPP Practitioners' Guide 2025.

It was noted on review that the announcement of the period for public rights was the same date as the approval of Section 2 of the Annual Governance and Accountability Return. Sections 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. To be able to demonstrate this, best practice is 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.

The responsibility for establishing and maintaining an adequate and effective system of internal audit rests with the council. As part of best-practice guidance for internal audit, every authority should ensure that it has a letter of engagement covering the roles and responsibilities of the internal auditor, as set out in paragraph 4.13 of the SAPPP Practitioners' Guide 2025. We note that the council does not currently hold an active letter of engagement with its internal auditor. Although this represents best practice rather than a mandatory requirement, we recommend that the council and internal auditor formalise and retain an appropriate letter of engagement for future years.

The Internal Auditor has provided a 'Yes' response to control objective J on their report. However, the accounts have been prepared on the incorrect basis. The council need to prepare their accounts on an income & expenditure (accruals) basis but instead have used the receipts and payments basis. Therefore this should have been answered 'No'.

3 External auditor certificate 2025/26

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 2026.

External Auditor Name	External Auditor Signature	Date
MOORE	Moore	26/08/2026