

Dear Councillors,

In September 2025 we received the External Auditor's MOORE Report regarding the Annual Governance and Accountability Return for Financial year 2024-2025 with recommendations that were read at the Council meeting on 20th October 2025.

The areas of Recommendations are that:

1. Correction of Section 2 Accounting Statements in Box 2 to Precept amount £550 - Accumulated Bank Interest was wrongly added. This should have been entered in Box 3 "Other Receipts". Hence, Box 2 should reflect solely the Precept amount of £59,308 and Box 3 Other Receipts amount of £44,053.
2. As a result of this they are expecting Assertion 1 "We have put in place arrangements for effective financial management during the year and for the preparation of the accounting statements" on the Annual Governance Statement to be answered "No"
3. Other requirement is that the answer of Assertion 4 on Section 1 of the Annual Governance and Accountability Return be corrected from "Yes" to "No" due to the Notice of Public Rights advertised for the previous year 2023/2024 in May 2024 stated wrongly 29 instead of 30 days for public inspection of accounts.

The corrections were discussed in the Council's Finance and Management meetings and were done, ready to be approved. Measurements are taken to monitor and avoid same mistakes for next year.

External Auditors MOORE noted that the AGAR was not approved until after 30 June 2025 which is a breach of the Accounts and Audit Regulations 2015.

The Period for Public Rights was announced and commenced prior to the approval of the Annual Governance and Accountability Return. Regulation 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, 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, it is anticipated that the Council taking these issues into account and responding "No" to Assertion 4 on its next 2025/2026 AGAR.

The reason was that the Council did so off duty under the accounting regulations to publish the Notice of Public Rights by 30 June to avoid late charges.

The Council is aware that the AGAR 2024-2025 was approved on Extraordinary Meeting of 7 July 2025. Due to the fact that the Internal Auditor Report was received on the early morning of June 30th and she apologised for the delay saying "the report was stuck in her outbox and somehow she was not available." Despite the persistent

attempts of the Council's Clerk and RFO to get in contact with the Internal Auditor via phone and email between the months May-June, she has not replied back.

After the Council's meeting in June 16th, 2025 an advice was sought by the Chair of Internal Auditors Forum and W

ALC. Also the External Auditors MOORE were contacted to inform them of the situation and ask extension of the AGAR submission.

They agreed that if all documents are submitted by 14th July 2025, they will not issue any reminder letters during this period. However, it was noted that they cannot amend the statutory requirements for the documents to be approved by 30 June nor the mandatory 10-day period for public rights as these are set in law. Consequently, If the statutory requirements are not met, they will consider it in their report.

Doing everything in its powers the Council was not able to approve the AGAR at the regulated times. As soon as it was practical to approve, the Council met on extraordinary meeting to minimise and mitigate the negative outcomes and fines.

This Report should be noted and minuted in today's meeting by the Parish Council. A copy of it should be displayed on the Council website.

Yours Sincerely,

RFO for New Frankley in Birmingham

Parish Council

Section 3 - External Auditor Report and Certificate 2024/25

In respect of **New Frankley In Birmingham 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 2 Accounting Statements has not been correctly completed. Box 2 does not agree to the precept by £550 which appears, from budget information obtained, to relate to interest receivable. All non-precept amounts should have been entered in Box 3 'Other receipts'. As a result of this we would have expected Assertion 1 on the Annual Governance Statement to be answered 'No'. We would expect these figures to be restated on the next year's AGAR, and marked as such, to bring it to the attention of the reader. Box 2 should reflect solely the precepted amount of £59,308 and Box 3 should be adjusted accordingly.

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'.

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

It was noted on review that the Period for Public Rights was announced and commenced prior to the approval of the Annual Governance and Accountability Return. Regulation 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, 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. We would anticipate the council taking these issues into account and responding 'no' to Assertion 4 on its 2025/26 Annual Governance and Accountability Return.

Incomplete information was provided with the initial supporting data submitted for review with regards to significant variances, which was later provided on request. The parish council should in future ensure that all the necessary supporting information is provided with their annual submission.

Last year the External Audit Report noted that the Notice of Public Rights was provided for a period of 29 days. Therefore, we expected a 'No' response to control objective M on the Annual Internal Audit Report.

The Annual Internal Audit Report was initially submitted with the date of 09/09/2025. This has since been updated and resubmitted to us with the date of sign off of 09/06/2025 which is in agreement with the full Internal Auditors report. There are no further concerns in this area.

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

A handwritten signature in black ink that reads "Moore", written over a horizontal line.

Date

18/09/2025

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Section 1 – Annual Governance Statement 2024/25

We acknowledge as the members of:

NEW FRANKLEY IN BIRMINGHAM PARISH COUNCIL

our responsibility for ensuring that there is a sound system of internal control, including arrangements for the preparation of the Accounting Statements. We confirm, to the best of our knowledge and belief, with respect to the Accounting Statements for the year ended 31 March 2025, that:

	Agreed		
	Yes	No*	
1. We have put in place arrangements for effective financial management during the year, and for the preparation of the accounting statements.	✓	✓	prepared its accounting statements in accordance with the Accounts and Audit Regulations.
2. We maintained an adequate system of internal control including measures designed to prevent and detect fraud and corruption and reviewed its effectiveness.	✓		made proper arrangements and accepted responsibility for safeguarding the public money and resources in its charge.
3. We took all reasonable steps to assure ourselves that there are no matters of actual or potential non-compliance with laws, regulations and Proper Practices that could have a significant financial effect on the ability of this authority to conduct its business or manage its finances.	✓		has only done what it has the legal power to do and has complied with Proper Practices in doing so.
4. We provided proper opportunity during the year for the exercise of electors' rights in accordance with the requirements of the Accounts and Audit Regulations.	✓	✓	during the year gave all persons interested the opportunity to inspect and ask questions about this authority's accounts.
5. We carried out an assessment of the risks facing this authority and took appropriate steps to manage those risks, including the introduction of internal controls and/or external insurance cover where required.	✓		considered and documented the financial and other risks it faces and dealt with them properly.
6. We maintained throughout the year an adequate and effective system of internal audit of the accounting records and control systems.	✓		arranged for a competent person, independent of the financial controls and procedures, to give an objective view on whether internal controls meet the needs of this smaller authority.
7. We took appropriate action on all matters raised in reports from internal and external audit.	✓		responded to matters brought to its attention by internal and external audit.
8. We considered whether any litigation, liabilities or commitments, events or transactions, occurring either during or after the year-end, have a financial impact on this authority and, where appropriate, have included them in the accounting statements.	✓		disclosed everything it should have about its business activity during the year including events taking place after the year end if relevant.
9. (For local councils only) Trust funds including charitable. In our capacity as the sole managing trustee we discharged our accountability responsibilities for the fund(s)/assets, including financial reporting and, if required, independent examination or audit.	Yes	No	N/A
			has met all of its responsibilities where, as a body corporate, it is a sole managing trustee of a local trust or trusts.
			✓

*Please provide explanations to the external auditor on a separate sheet for each 'No' response and describe how the authority will address the weaknesses identified. These sheets must be published with the Annual Governance Statement.

This Annual Governance Statement was approved at a meeting of the authority on:

07/07/2025

and recorded as minute reference:

702/14/1/1/1508(1)

Signed by the Chair and Clerk of the meeting where approval was given:

Chair: J. Wallace

Clerk: C. Wallace

www.newfrankleyinbirminghamparishcouncil.gov.uk

Section 2 – Accounting Statements 2024/25 for

NEW FRANKLEY IN BIRMINGHAM PARISH COUNCIL

	Year ending		Notes and guidance
	31 March 2024 £	31 March 2025 £	
1. Balances brought forward	55,088	95,710	Total balances and reserves at the beginning of the year as recorded in the financial records. Value must agree to Box 7 of previous year.
2. (+) Precept or Rates and Levies	59,755	59,308 59,858	Total amount of precept (or for IDBs rates and levies) received or receivable in the year. Exclude any grants received.
3. (+) Total other receipts	58,157	44,053 43,503	Total income or receipts as recorded in the cashbook less the precept or rates/levies received (line 2). Include any grants received.
4. (-) Staff costs	39,104	39,152	Total expenditure or payments made to and on behalf of all employees. Include gross salaries and wages, employers NI contributions, employers pension contributions, gratuities and severance payments.
5. (-) Loan interest/capital repayments	0	0	Total expenditure or payments of capital and interest made during the year on the authority's borrowings (if any).
6. (-) All other payments	38,186	51,835	Total expenditure or payments as recorded in the cashbook less staff costs (line 4) and loan interest/capital repayments (line 5).
7. (=) Balances carried forward	95,710	108,084	Total balances and reserves at the end of the year. Must equal (1+2+3) - (4+5+6).
8. Total value of cash and short term investments	95,710	108,084	The sum of all current and deposit bank accounts, cash holdings and short term investments held as at 31 March – To agree with bank reconciliation.
9. Total fixed assets plus long term investments and assets	47,459	62,184	The value of all the property the authority owns – it is made up of all its fixed assets and long term investments as at 31 March.
10. Total borrowings	0	0	The outstanding capital balance as at 31 March of all loans from third parties (including PWLB).

For Local Councils Only	Yes	No	N/A	
11a. Disclosure note re Trust funds (including charitable)		<input checked="" type="checkbox"/>		The Council, as a body corporate, acts as sole trustee and is responsible for managing Trust funds or assets.
11b. Disclosure note re Trust funds (including charitable)			<input checked="" type="checkbox"/>	The figures in the accounting statements above exclude any Trust transactions.

I certify that for the year ended 31 March 2025 the Accounting Statements in this Annual Governance and Accountability Return have been prepared on either a receipts and payments or income and expenditure basis following the guidance in Governance and Accountability for Smaller Authorities – a Practitioners' Guide to Proper Practices and present fairly the financial position of this authority.

Signed by Responsible Financial Officer before being presented to the authority for approval

J. Macwell

Date 11/06/2025

I confirm that these Accounting Statements were approved by this authority on this date:

6/07/2025

as recorded in minute reference:

71251612696

Signed by Chair of the meeting where the Accounting Statements were approved

J. Walker

New Frankley in Birmingham Parish Council
Annual Return

9 June 2025 (2024-2025)

Accounts for Year from 01/04/2024 to 31/03/2025

This is prepared based on the information in "Governance and Accountability for Local Councils : a Practitioners' Guide"

Important note: These figures have been prepared on a RECEIPTS and PAYMENTS basis.

* Note :- An asterisk to the right of the box below indicates it is an item that has changed by more than 15% and £200 from the previous year and probably warrants a comment in your notes. This is only an indication and should not be considered exclusive. You will only see asterisks if this is the second year you have used the report.

Box No.	Description	Year ending	
		31/03/2024 £	31/03/2025 £
1	Balances brought fwd	55,087.71	95,710.12
2	Annual precept	59,755.00	59,858.00
3	Total other receipts	58,157.46	43,503.16
4	Staff Costs	39,103.56	39,152.13
5	Loan Interest/capital repayment	0.00	0.00
6	Total other payments	38,186.49	51,835.44
7	Balances carried forward	95,710.12	108,083.71
8	Total Cash and Short Term Inve	95,710.12	108,083.71
9	Total Fixed Assets and Long Ter	47,458.68	62,183.82
10	Total Borrowings	0.00	0.00

* 59308
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