

## Section 3 - External Auditor Report and Certificate 2022/23

In respect of **Ducklington 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 2023; 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 2022/23

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 2023 which is a breach of the Accounts and Audit Regulations 2015.

On review of the minutes where the approval of both Section 1 and Section 2 was made, it was noted that the meeting, and therefore the date of approvals on the AGAR form, took place on 04/09/2024 and not 02/08/2024 as recorded on Section 1 of the AGAR and not 03/08/2024 as recorded on Section 2 of the AGAR. In addition to this, Section 2 did not include the minute reference. We believe this was an oversight as the minutes from the meeting on 04/09/2024 available on the website show that Section 1 and 2 of the AGAR were approved at minute reference 109.24(e). We would expect any future minute references and date of approvals to match back to the date of the meeting where the AGAR was approved and the reference provided in those minutes.

The Internal Auditor identified that the council's fixed asset register, which records fixed asset movements and values during the year, was not available at the date of the internal audit. The council is required to maintain such records and update them regularly. In addition to this, it appears that there was a lack of access to accounting records during the year due to the difficulties of operating without an RFO.

It was noted by the Internal Auditor that the council have not been operating the bank reconciliation regularly during the year. Bank statements were provided by the council and were accurate as at the year end, however bank reconciliations were not prepared on a regular basis in accordance with Paragraph 1.10 of the JPAG Practitioners' Guide 2022.

It has been identified from the review of the signatures on the AGAR form, that the Chair of the council also took on the responsibilities and acted as the signatory of the RFO of the council on the AGAR as a result of not operating with an RFO during the year. Paragraph 1.9 of JPAG Practitioners' Guide 2022, refers to the need for the authority to have satisfied itself that its RFO has determined a system of financial controls and discharged their duties under Regulation 4 of The Accounts and Audit Regulations 2015 in which such regulation requires the identification of the duties of officers dealing with financial transactions and divisions of responsibilities of those officers. Since the Chair's duties are to lead meetings rather than manage finances, it appears that there is no segregation of duties in place within the council. Per further guidance on Paragraph 5.11 of JPAG Practitioners' Guide 2024, proper segregation of duties means that the Chairman of the authority should never be appointed (even on a short-term basis) either as Clerk or as RFO. The council have since appointed a new Clerk/RFO and therefore we do not believe this is a concern going forwards.

As a result of the above points, we feel a 'No' response to Assertion 1 on the 2022/23 Annual Governance Statement would have been more appropriate.

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Other matters not affecting our opinion which we draw to the attention of the authority: See continuation page...

### 3 External auditor certificate 2022/23

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 2023.

External Auditor Name



External Auditor Signature

A handwritten signature in black ink, appearing to read 'N. Lee', written over a horizontal line.

Date

10/12/2025

In respect of **Ducklington Parish Council**

Continuation from previous page:

In addition to the matters reported above we also add the following except for these matters 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.

On review of the Internal Auditors covering letter provided on submission, it appears that the council did not conduct a risk assessment during the year. Paragraph 1.31 of JPAG Practitioners' Guide 2022 provides that these risks need to be assessed, or the assessments considered during the year to ensure they are appropriately managed and/or mitigated. Therefore, we would have expected Assertion 5 on the Annual Governance Statement to have been answered 'No'. The council should look to ensure this is reviewed annually going forwards.

A review of the council's website, the Finance section, 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 appear to have uploaded a blank version of Section 1 on the council's website. In addition, the Notice of Conclusion for 2021/22 has not been published 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 council provided a qualitative explanation for the variance in boxes 3 and 6 on Section 2 of the AGAR from the prior year to the current year and have not provided explanations to explain the significant variances in boxes 7 and 8. Explanations should be sufficiently detailed & meaningful to explain the reasons for the change as required by proper practices (Paragraph 2.36 of JPAG Practitioners' Guide 2022). 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.

**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 2022/23 AGAR does not include the first ten working days of July as specified in the Accounts and Audit Regulations, Part 15 (1).

The inspection period for the exercise of electors' rights was set for 35 working days which is more than the mandatory 30 working days as set out in the Accounts and Audit Regulations 2015, Paragraph 14(1). Although this is considered to be a minor technical breach, given more than the standard amount of time was provided for, in future the council should ensure it provides the precise public inspection period.

The Council left a significant time period between approval of the Annual Governance and Accountability Return and the commencement of the Public Rights Period. The Audit and Accounts Regulations 2015, section 12 (3)(a) and proper practices require that following approval of the Return, the Public Rights Period should commence as soon as is reasonably practicable when taking into consideration the mandatory inclusion of the first 10 working days of July.

On review of the council's notice of public rights, we have noted that this refers to the accounting year end 31 March 2024. We believe this is a human error on completion.

Per the dates noted on the AGAR form, it appears that the Internal Auditor has signed off the Annual Internal Audit Report 2022/23 after the Section 1 Governance Statement 2022/23 was approved. However as noted in the 'except for matters' section the date of approval on Section 1 has been incorrectly noted and it has been confirmed that the Annual Internal Audit Report was signed off before Section 1 was approved in line with expectations.

The bank reconciliation was not provided on the initial submission. Bank statements were later provided by the council and were accurate as at the year end therefore there were no issues noted. This is one of the supporting documents we require on the initial submission as per Paragraph 2.25 of JPAG Practitioners' Guide 2022 therefore please note this for the future.

Incomplete information was provided with the initial supporting data submitted for review with regards to the level of reserves held by the council. The parish council should in future ensure that reserves levels are considered thoroughly and explanations provided with the AGAR when submitted to the external auditor.

The council's name was not entered on the Annual Internal Audit Report and Section 2 of the Annual Return on the initial submission. We consider the omissions to be trivial, however, the parish council should take care to ensure the form is fully completed in the future to ensure full compliance with the regulations and code of practice.

The Annual Internal Audit Report has been submitted without the council's website/web address being entered. We believe this is a human error on completion and that the requirements to complete the internal audit have been correctly completed. We ask the internal auditor to ensure the report is fully completed in the future.

Box 11a has not been completed on Section 2 Accounting Statements therefore the form is incomplete. From other information provided we do not believe the council acts as a sole trustee and a 'No' response should have been provided here.