Section 3 - External Auditor Report and Certificate 2023/24

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 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.

The AGAR was not approved until after 30 June 2024 which is a breach of the Accounts and Audit Regulations 2015.

The Council completed Section 2 on an incorrect AGAR form, using Form 3PM, which is intended solely for Parish Meetings. No amended AGAR was subsequently submitted. Sufficient assurance regarding the Council's sole trustee status has been obtained from the disclosures in Section 1 and the Annual Internal Audit Report.

It has been identified, from the review of the signatures on the AGAR form and other information provided, that the Chair of the Council also took on the responsibilities of and acted as RFO for the council on the AGAR due to having no one else available to take on the role during the year. Paragraph 1.9 of JPAG Practitioners' Guide 2023, 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 5.10 of JPAG Practitioners' Guide 2023, requires an RFO be appointed in accordance with section 151 of LGA 1972. This requires the RFO to be an officer of the council which means that a council member should not be appointed to the role. The council have since appointed a new Clerk/RFO and therefore we do not believe this is a concern going forward.

The council have not provided explanations to explain the significant variances in boxes 3, 6, 7, 8 to bring them within the acceptable level of 15% or £500. This is required by the Accounts and Audit Regulations and proper practices. We are therefore unable to confirm that the budgeting processes are adequate and that proper practices have been followed.

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. 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.

It was noted by the Internal Auditor that the council have not been operating the bank reconciliation regularly during the year. Bank reconciliations were not prepared on a regular basis in accordance with Paragraph 1.10 of the JPAG Practitioners' Guide 2023.

The bank reconciliation has not been submitted for review. Therefore, we are unable to agree the calculation of the amount in Box 8. The council should in future ensure that all supporting documents are provided on the initial submission.

As a result of the above points, we feel a 'No' response to Assertion 1 on the 2023/24 Annual Governance Statement would have been more appropriate

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 1.32 of JPAG Practitioners' Guide 2023 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.

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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).

The inspection period for the exercise of electors' rights was set for 31 working days which is more than the mandatory 35 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.

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 council's name was not entered on 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.

Upon review, general reserves appear to be held at a low level. The council should keep this under review and ensure that they have sufficient general reserves to cover expenditure. Per Paragraph 5.3 of JPAG Practitioners' Guide 2023, best practice suggests this should generally be at least 3 months expenditure as a minimum. These cannot include ring fenced funds and should avoid including funds which are designated for another purpose.

The Internal Auditor has signed off the Annual Internal Audit Report 2023/24 after the Section 1 Governance Statement 2023/24 was approved. As the completed 2023/24 report was not available for review and consideration with the form, it is presumed that the Assertions in Section 1: Annual Governance Statement refer to the previous year's internal audit report and /or to other checks performed by the council.

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	External Auditor Signature	Date
MOORE	Moore	25/03/2026