

Limited Assurance Regime

Detailed instructions
for 2020/21

Instructions relating to the Annual Governance and Accountability Return (AGAR) for the year ending 31 March 2021

Contents

1.	Key dates	2
2.	Introduction	3
3.	COVID-19 Update for 2020/21	4
4.	Annual Governance & Accountability Return Part 1, 2 or 3	5
5.	Parish Meetings only	7
6.	Exemption criteria	8
7.	Signing and approval of the AGAR Parts 2 and 3	9
8.	AGAR Part 3, Section 3 – the external auditor report and certificate	10
9.	Annual internal audit report	11
10.	Public rights.....	12
11.	Annual Governance Statement assertions	13
12.	Documentation to be submitted with the AGAR Part 3	14
13.	Intermediate level review procedures.....	16
14.	Fees	17
15.	Electronic communication	18
16.	Quality of service	19
17.	Independence	20
18.	Final checklist.....	21
	APPENDIX 1 - Common errors made by smaller authorities - general.....	22
	APPENDIX 2 – Common misunderstandings over the rules for claiming exemption.....	24
	APPENDIX 3 - Fee implications for non-responders using submission date 2 July 2021	26
	APPENDIX 4 – Common errors in respect of public rights dates	28

1. Key dates

Key dates for the 2020/21 reporting season	
<p>Submission deadline Deadline by which either a completed & approved AGAR and all applicable supporting documents or an Exemption Certificate must be submitted to us. Please submit all documentation to us <u>via email wherever possible</u> to sba@pkf-l.com.</p> <p>If you do not have access to email, please submit the documents by post to:</p> <p style="padding-left: 40px;">SBA Team PKF Littlejohn LLP 15 Westferry Circus Canary Wharf London E14 4HD</p> <p>Please use EITHER EMAIL OR POST BUT NOT BOTH as multiple submissions unnecessarily delay the processing of information.</p> <p>If you are submitting documents by post:</p> <ul style="list-style-type: none"> • Please take a copy of all documents submitted; • It will not be possible to return any original documents submitted for review; • Please ensure the correct postage is applied to avoid delays in receipt. 	<p>Friday 2 July 2021</p> <p>Please email us to arrange an extension if this deadline cannot be met. Please see chapter 14 for more about submission dates.</p>
<p>Statutory common period to be included in the smaller authority's period for the exercise of public rights – for all authorities, both exempt and subject to our review.</p>	<p>Thursday 1 July – Wednesday 14 July 2021</p>
<p>Suggested period for the exercise of public rights.</p> <ul style="list-style-type: none"> • If the date of the meeting at which your AGAR is to be approved falls during this period your smaller authority will need to select a 30-day period that commences after the date of your meeting. • If the date of the meeting at which your AGAR is to be approved falls on or after 1 July your smaller authority will have breached the legislative requirements. See chapter 8 of these instructions for the reporting implications for Section 3 of the AGAR. 	<p>Monday 14 June to Friday 23 July 2021</p>
<p>For those authorities subject to a review only, the statutory deadline by which the AGAR Part 3 & signed external auditor report must be published by the smaller authority (this includes publishing on the smaller authority's website).</p> <p>NB: The <i>Notice of Conclusion of Audit</i>, which will be emailed to non-exempt authorities at the end of the review process along with our External Auditor Report and Certificate, must be published at the same time.</p> <p>Exempt authorities: There is no signed external auditor report or other closure documentation issued by the external auditor for authorities who have claimed exemption from the limited assurance regime.</p>	<p>Thursday 30 September 2021</p>

2. Introduction

[Smaller Authorities' Audit Appointments Ltd](#) (SAAA) was formally appointed in January 2016 as the 'person specified to appoint local auditors' under powers set out in Regulation 3 of the [Local Audit \(Smaller Authorities\) Regulations 2015](#) to perform the functions set out in legislation for smaller authorities.

Following the resulting tender process, PKF Littlejohn LLP was appointed to all relevant smaller authorities (i.e. local councils, including town council and parish councils, and parish meetings) in 36 contract areas for 5 years from 2017/18, as well as all internal drainage boards (IDBs) and 'other' smaller authorities (e.g. charter trustees, port health authorities, etc) in England.

The contract areas serviced by PKF Littlejohn LLP are Avon, Berkshire, Buckinghamshire, Cambridgeshire, Cheshire, Cornwall, Cumbria, Derbyshire, Devon, Dorset, East Sussex, Essex, Gloucestershire, Hampshire & the Isle of Wight, Herefordshire, Hertfordshire, Humberside & East Riding of Yorkshire, Kent, Lancashire, Greater Manchester & Merseyside, Leicestershire, Lincolnshire, London, Norfolk, North Yorkshire, Northamptonshire, Northumberland & Tyne & Wear, Nottinghamshire, Shropshire, Somerset, South Yorkshire, Suffolk, Surrey, Warwickshire & West Midlands, West Yorkshire, Wiltshire and Worcestershire.

No smaller authorities opted out of the tender process.

3. COVID-19 Update for 2020/21

In response to the Coronavirus pandemic the Ministry of Housing, Communities and Local Government (MHCLG) issued new Statutory Instruments (SI) that impacted the limited assurance regime for smaller authorities:

- **SI2020/392 & SI2020/808**

Under these SIs Local authorities were granted permission to allow members, the public and press to attend meetings remotely from 4 April 2020 for all smaller authorities except parish meetings and from 1 August 2020 for parish meetings. The legislation only permits remote attendance at meetings held before 7 May 2021, hence, **if no further legislation is passed in 2021 smaller authorities will not be able to hold virtual meetings after this date.**

Whilst representations are being made to MHCLG from various of the sector bodies, we await further information in this respect. In the meantime, we therefore recommend that if smaller authorities are able to prepare the AGAR and meet remotely to approve it prior to 7 May 2021, that they do so.

We will update our website for any further legislative changes as necessary.

- **SI2020/404**

SI2020/404 extended the statutory deadlines by 2 months for the 2019/20 reporting season; however, that legislation was specific to the 2019/20 reporting season only (See also below**). **All statutory timings and deadlines for the 2020/21 reporting season therefore revert to those in place prior to COVID-19 as follows:**

- **30 June 2021** - The date by which smaller authorities must approve Sections 1 & 2 of the 2020/21 AGAR.
- **30 September 2021** - The statutory deadline for publishing the approved Sections 1 & 2 of the 2020/21 AGAR and for authorities not claiming exemption, Section 3 (the external auditor's certificate).
- All smaller authorities must include the first 10 working days of July within the 30 working day period they set for the exercise of public rights for 2020/21; this requirement was only removed for 2019/20 (see ** below).

Please note, these statutory deadlines are **not the same** as the submission deadline we set for the receipt of documentation. Please see chapter 4 below.

4. Annual Governance & Accountability Return Part 1, 2 or 3

There are 6 types of Annual Governance and Accountability Return (AGAR), those being Parts 1, 2 and 3 for all smaller authorities excluding Parish Meetings and Parts 1PM, 2PM and 3PM for Parish Meetings only. **Please see the Parish Meeting specific instructions in chapter 5.**

- AGAR Part 1: to be completed and published by **exempt authorities excluding parish meetings with no accounts.**
- AGAR Part 2: to be completed, approved and published by **exempt authorities excluding parish meetings with financial transactions during the year.**
- AGAR Part 3: to be completed, approved and published by **all smaller authorities excluding parish meetings subject to a limited assurance review.**

Non-parish meetings forms are available [here](#).

Parish meeting forms – see chapter 5:

- AGAR Part 1PM: to be completed and published by **exempt parish meetings with no accounts.**
- AGAR Part 2PM: to be completed, approved and published by **exempt parish meetings with financial transactions during the year.**
- AGAR Part 3PM: to be completed, approved and published by **all parish meetings subject to a limited assurance review.**

Parish meetings forms are available [here](#).

Each smaller authority is required by law:

- to prepare Accounting Statements for the year ended 31 March 2021 in the form required by proper practices using the relevant AGAR from the list above;
- to approve and publish the AGAR including the Accounting Statements, as described in chapter 7 of these instructions;
- to provide for the exercise of public rights, as described in chapter 10 of these instructions; and
- to publish the AGAR, including the signed external auditor report, by 30 September 2021 where a limited assurance review has been carried out.

Your first step is to decide which AGAR your smaller authority should complete from the list shown above. To assist you, we have provided a decision tree on our [website](#) which will help ensure that you complete the correct AGAR and send us the correct information. Please **do not complete more than one AGAR form**, since only one can be relevant to your smaller authority.

Where the AGAR Parts 2, 2PM, 3 or 3PM apply, you must arrange for your independent internal auditor to complete the annual internal audit report and you must complete and approve Sections 1 and 2 in the order explained in chapter 7 of these instructions and then submit, **preferably by email only**, the relevant documents (**either** the exemption certificate on page 3 of AGAR Part 2, **or** the AGAR Part 3 plus the associated documentation required for our review) to us by **2 July 2021** so that we may discharge our responsibilities as appointed auditors under the [Local Audit and Accountability Act 2014](#) (the Act). **You must [contact us](#) as soon as possible if you are unable to meet this submission deadline. Please see chapter 14 of these instructions for details of the additional charges that we will render if we have to issue chaser letters for lack of response in accordance with submission deadlines.**

Guidance on completion is contained within the relevant AGAR. For further guidance, please refer to 'Governance and Accountability for Smaller Authorities in England'. The 2020 Practitioners' Guide is available on our website. Whilst the 2020 guide was the guide in force for 2020/21, early adoption of the 2021 Guide is permitted. The Practitioners' Guide is jointly published by ADA, NALC and SLCC and is available free of charge via each website, www.ada.org.uk, www.nalc.gov.uk or www.slcc.co.uk.

A link to the Practitioners' Guide is included in the Limited Assurance Regime pages of our website which can be found on our website on the [useful information and links page](#). Included in this page and the [submission requirements page](#) you will find other useful information and links to standard templates, for example:

- electronically enabled and printable 'paper' PDF versions of the AGAR forms (either version is acceptable in colour or black & white)
- annual precept information for 2020/21 for smaller authorities within our Contract Areas – please refer to this when completing Box 2 for local councils and charter trustees
- PWLB loan balances as at 31 March 2021 – please refer to the Year End Values for England -Minor Authorities for 31 March 2021 when completing Box 10. This will be available on our website from April 2021.
- fee scales set by SAAA
- copies of the pro forma templates referred to in these instructions

SAAA have also prepared a useful flowchart to summarise the AGAR process. There is one for parish meetings and one for all other smaller authorities.

It should not be necessary for you to contact us directly for additional guidance. SAAA have asked us to refer practitioners (both members and non-members) to the relevant membership organisations with any queries about completing the AGAR forms. Please contact either your [local county association](#); the [Society of Local Council Clerks](#); or the [Association of Drainage Authorities](#).

Completion of the electronically enabled AGAR forms

Please note that the electronically enabled AGAR forms have been designed by SAAA to be opened and completed in **Adobe Acrobat Reader** only – this is a free programme which can be downloaded [here](#). The forms will not work in other PDF reader programmes.

Completion tips:

- General: The printable 'paper' PDF versions are not designed to be completed electronically but simply to be printed off and completed by hand. If you are having issues whilst using the free software, please check that you have downloaded the correct version of AGAR from our website.
- If you are responsible for multiple councils or wish to clear the form for any other reason to start anew, please press **Ctrl+F5** on your keyboard.
- General: **Electronic signatures are not permitted.**

Changes to be aware of for the 2020/21 reporting season

The Practitioners' Guide 2020 included clarification as to which costs should be included in Section 2 Box 4 in respect of staff costs and which costs should therefore be presented in Box 6. Authorities were able to adopt these changes early when reporting for 2019/20 but they become mandatory for 2020/21. Comparatives must also be restated for consistency. Where we become aware that either year has not been stated in accordance with the Practitioners' Guide 2020 an except for matter will be raised in our Section 3 report.

5. Parish Meetings only

As noted in chapter 4 of these instructions, Parish Meetings use AGAR forms specifically designed to take account of matters relevant to Parish Meetings **ONLY**; these are available from our [webpage](#).

- AGAR Part 1PM: to be completed and published by **exempt parish meetings with no accounts**.
- AGAR Part 2PM: to be completed, approved and published by **exempt parish meetings with financial transactions during the year**.
- AGAR Part 3PM: to be completed, approved and published by **all parish meetings subject to a limited assurance review**.

Differences between parish meeting and other smaller authority requirements

AGAR Parts 2PM and 3PM

- There is no requirement for responses in respect of trust funds on the parish meeting AGAR forms.
- Annual Internal Audit Report (AIAR): internal control objective 'G' has been intentionally omitted from AGAR Part 2PM and 3PM on the basis it relates to salaries and is hence not applicable for parish meetings. See also chapter 9 for further differences in respect of the AIAR.

Signing of the AGAR

- The signature boxes reflect that a signature is required by the Chair alone for parish meetings.

Please note for parish meetings with no chair: The supplier audit firms, via the National Audit Office, have received legal advice which indicates that it is not lawful for monitoring officers of the precepting authority to sign off the relevant AGAR forms for parish meetings with no elected Chair. If these instructions are being read by a monitoring officer in such a situation, please [contact us](#) to discuss the next step. Where possible, please attempt to contact a member of the parish meeting to enable the parish meeting to comply with its statutory requirements.
- A parish meeting is required to meet annually between 1 March and 1 June (parish meetings only); however, the AGAR forms must be approved after the financial year end of 31 March 2021, there is therefore a mismatch between the requirements of the legislation. Hence, if the only scheduled meeting for your parish meeting is in March 2021, a second meeting must be convened in order to approve the AGAR after the year end and before the statutory deadline of 30 June 2021.

Publication of information on the smaller authority's website

- Parish meetings with a website: Parish meetings with websites must follow the publication rules for all other smaller authorities.
- Parish meetings without a website: Where a parish meeting does not have a website the publication requirements are slightly relaxed. In these circumstances, section 2(5b(ii)) of the [Accounts and Audit Regulations 2015](#) applies, which states that "*Any reference in these Regulations to publication on an authority's website must be construed as displaying the information in question in a conspicuous place in the area of the authority for at least 14 days.*"

6. Exemption criteria

All smaller authorities (including those claiming exemption) are required to complete and approve an Annual Governance and Accountability Return (AGAR) and provide for public rights. **Authorities wishing to claim exemption** from our review must meet several specified criteria. Provided those criteria are satisfied, all they need to [submit \(preferably by email only\)](#) to us, as the appointed auditor, is a copy of their exemption certificate after the smaller authority has made that decision.

We set out below further clarification in respect of the exemption rules, **Appendix 2** also highlights common misunderstandings in this area.

The criteria for claiming exemption are set out in [section 9 of the Local Audit \(Smaller Authorities\) Regulations 2015](#) and require that, in order to certify itself as exempt, the following conditions are met:

- total gross income* and total gross expenditure below £25k; **and**
- no public interest report/statutory recommendation/advisory notice/judicial review/application to court re unlawful item of account issued by its external auditor** in the prior year; **and**
- the relevant financial year is not one of the first three years of the authority's existence, hence if claiming exemption for 2020/21 that means the authority must have been in existence since at least 1 April 2017.

* Please note that total gross income includes **all** income received during the year, e.g. precept or rates & levies, grants, loans, community infrastructure levy (CIL), VAT refunds, donations, fees & charges, etc.

** Please note that where the external auditor has only raised 'except for' or 'other' matters in the External Auditor Report and Certificate for 2019/20 this **does not** preclude a smaller authority from certifying itself exempt from our review.

Please note: Where information comes to our attention in future periods that a smaller authority did not meet the exemption criteria for a year where it was claimed as it had either income and/or expenditure in excess of £25,000, a public interest report will be issued using our powers in the year the breach is discovered.

Signing and approval of the exemption certificate

The exemption certificate included within the AGAR Part 2 and AGAR Part 2PM must be **signed after a resolution** by the authority that it meets the criteria for 2020/21 and wishes to be an exempt authority (i.e. not subject to our limited assurance review) for that year.

Smaller authorities must also include the minute reference and the date the decision was made on the exemption certificate.

The **exemption certificate must be published**, including on the authority's website, before 1 July 2021 and a copy of the certificate should be **emailed to us** by that date.

7. Signing and approval of the AGAR Parts 2 and 3

The latest date for the period for the exercise of public rights to commence is 1 July 2021, hence the latest date by which the 2020/21 AGAR will need to be approved is 30 June 2021. Accordingly, our default submission date has been set as 2 July 2021 – if you need to agree an alternative submission deadline please [contact us](#).

Following the introduction of the [Accounts and Audit Regulations 2015](#) (the Regulations); the changes that occurred in 2015/16 remain in force.

The smaller authority must carry out a review of the effectiveness of the system of internal control and prepare the Annual Governance Statement (Section 1 of the AGAR Parts 2 & 3). At the approval meeting, following the review, the smaller authority must:

- a. consider the findings of the review by the members meeting as a whole; and
- b. approve the Annual Governance Statement by resolution **in advance** of approving the Accounting Statements.

The Annual Governance Statement **must** be approved prior to the Accounting Statements, either at separate meetings or in the same meeting but with the correct order of business on the agenda and **this must be evidenced by the meeting minute references and/or dates. This change to the requirements in 2015/16 is still not being carried out correctly by many smaller authorities hence it continues to give rise to ‘except for’ matters being raised, please refer to the detail provided for guidance.**

The responsible financial officer (RFO) must sign and date ‘Section 2 - Accounting statements’ of the AGAR Part 2 or 3, whichever is relevant to your smaller authority, **before** it is presented to the smaller authority. At the approval meeting, the smaller authority must, **in the following order**:

- a. consider the Accounting Statements by the members meeting as a whole;
- b. approve the Accounting Statements by resolution; and
- c. ensure the Accounting Statements are signed and dated by the person presiding at the meeting at which that approval is given.

For parish meetings please also see chapter 5 of these instructions.

8. AGAR Part 3, Section 3 – the external auditor report and certificate

The [National Audit Office](#) (NAO) issues the auditor guidance that we are required to follow when carrying out our limited assurance review, Auditor Guidance Note 2 (AGN02) is available on their website – please note this is being updated in March 2021. The 2016/17 revisions to AGN02 affected the way we reported in our external auditor report for the first time in 2016/17 and remain in force.

The impact for our reporting is that in that any errors on the AGAR or digressions from ‘proper practice’, as dictated by the Practitioners’ Guide and the guidance notes on the AGAR, **are now reported as ‘except for’ matters.**

This current practice means that circumstances giving rise to ‘other’ matters are now rare and smaller authorities are therefore most likely to have either qualified reports or no matters raised at all. **Please ensure that care is taken to review the completed AGAR and supporting documentation closely before submission, to avoid an ‘except for’ matter being raised in Section 3 of the AGAR Part 3.**

Please also see the common errors we encounter set out in **Appendix 1** to these instructions.

Publication of the Notice of closure

Most smaller authorities will have a specific area of their website for the AGAR and accounts related items and keep that information on their websites ad infinitum. There is however no timescale specified in the statute and regulations for the length of time for which the Notice must be published and no requirement for it to be publicly accessible for 5 years like there is for the AGAR and our report and certificate. It is worth noting that the ‘old’ rules were to publish the Notice for 14 days but it is up to the smaller authority to make this decision.

9. Annual internal audit report

Although the Regulations do not specify a date by which the annual internal audit report (AIAR) must be completed, the review of effectiveness of the system of internal control by the smaller authority and the completion and approval of the Annual Governance Statement should both consider the system of internal audit that has been in place **during the year under review**. Thus, the smaller authority will ideally need to consider the internal audit work performed and internal audit arrangements in place between 1 April 2020 and 31 March 2021 **before** confirming compliance with assertions 2 and 6.

It is therefore best practice to have the internal audit visit and report (AIAR) completed before approving the Annual Governance Statement (AGS) (i.e. Section 1 of AGAR Part 2 or 3), **but it is not a statutory requirement** (the AGAR guidance note says 'should' not 'must'). If the date of the AIAR is after the date of the AGS, then we will simply look at last year's AIAR date to ensure that it occurred between 1 April 2020 and 31 March 2021, thereby providing evidence that there was internal audit provision **during** the year (as specified in the wording of assertion 6).

Please note that, although the AIAR does not form part of the AGAR **and is not covered by our limited assurance opinion**, the Joint Panel on Accountability and Governance (JPAG) requires that the AIAR is included in the list of documents to be submitted (**preferably by email only**) to the external auditor for their review of an AGAR Part 3.

Notes re 2020/21 AIAR internal control objectives:

- Please note, the references for internal control objectives A to K are consistently referenced across AGAR Parts 2 & 3 and AGAR Parts 2PM & 3PM. The only exception being that for parish meetings only, internal control objective 'G' has been intentionally omitted from AGAR Parts 2PM & 3PM on the basis it relates to salaries and is hence not applicable for parish meetings.
- Internal control objectives L to O are not consistently referenced on AGAR Parts 2 & 3 as they are on AGAR Parts 2PM & 3PM.
 - Objective L is an additional objective for non-parish meetings but applies only to those authorities in the £1 to £25,000 expenditure band.
 - Objectives M and N on AGAR Parts 2 & 3 therefore correspond with Objectives L and M on AGAR Parts 2PM & 3PM.
 - Objective O is for non-parish meetings only.
- The wording on the forms for some of the objectives has been revised to clarify the requirements.
- Please also refer to the revised Practitioners' Guide for 2021/22 which now includes guidance as to what is expected from an internal audit perspective in respect of each of the internal control objectives.

10. Public rights

If your smaller authority had financial transactions in the year, you **must** make arrangements for the exercise of public rights **irrespective of whether your authority is claiming exemption from a review**. You are asked to give a public assurance in assertion 4 of 'Section 1 – Annual governance statement' of the AGAR Part 2 or 3, whichever is relevant to your smaller authority, that you have done this in accordance with statutory requirements, please note that this assurance refers to the arrangements **during 2020/21**, i.e. in relation to the 2019/20 Annual Governance and Accountability Return. Please see **Appendix 4** where we have set out common errors in respect of providing for public rights.

The statutory requirements for 2020/21 are as follows:

- The smaller authority itself must inform the electorate of a single period of 30 working days during which public rights may be exercised, by publishing the relevant Notice **and** Sections 1 & 2 of the approved AGAR **at least the day before** the period for public rights commences. The date of the Notice **must not be** dated the same date as the first day of the 30 working days. The relevant Notice means the *Notice of Public Rights & Publication of Unaudited Annual Governance & Accountability Return* for those subject to our review or *Notice of Public Rights & Publication of Annual Governance & Accountability Return (Exempt Authority)* for exempt authorities. For this purpose, publishing means inclusion **on the website**. Publication on a notice board is not mandated but is good practice;
- The inspection period **must** include the first 10 working days of July, i.e. 1 to 14 July inclusive this year. In practice this means that public rights may be exercised:
 - at the earliest, between Thursday 3 June and Wednesday 14 July 2021; and
 - at the latest, between Thursday 1 July and Wednesday 11 August 2021.
- If the period chosen does not comply with these statutory requirements above, we must report as such in Section 3 of the AGAR.

Setting the period for the exercise of public rights

As in previous years, to assist you in this process, we have provided pro forma template notices on our [website](#) (for exempt authorities and for those authorities subject to our review; as well as the equivalent documents for parish meetings) with a suggested inspection period. The period we have suggested is between **Monday 14 June and Friday 23 July 2021** but if you are submitting an AGAR Part 3 and these dates are not appropriate for your smaller authority, please notify us of the dates you have chosen when submitting your documentation for review.

Please note that if an 'other' matter was raised on the external auditor report for 2019/20 regarding the period for the exercise of public rights during 2019, the smaller authority must answer 'No' to Assertion 4 of the 2020/21 Annual Governance Statement. If an incorrect 'Yes' answer is given by a smaller authority subject to a limited assurance review, we will have to raise this as an 'except for' matter or qualification of our opinion on the 2020/21 AGAR Part 3.

To further assist you, we also provide guidance for electors and other interested parties entitled '*Local authority accounts: a summary of your rights*' to explain provisions 25, 26 and 27 of the Local Audit and Accountability Act 2014 which **must** be published (including on the smaller authority's website) alongside the notice of public rights. We have also included a summary of the guidance (for exempt authorities and for those authorities subject to our review) on what you need to do to advertise the period for the exercise of public rights.

Notifying us of the period for the exercise of public rights (authorities subject to review only)

Whilst it is the responsibility of the smaller authority to set the period for the exercise of public rights, when submitting your AGAR Part 3 and associated documentation, you **must** either confirm to us that the suggested dates have been adopted or inform us of the alternative dates selected. We have therefore also provided a pro forma for you to complete and submit (**preferably by email only**) to us to enable you to meet this requirement of the Regulations.

11. Annual Governance Statement assertions

Please review the wording of all the assertions in Section 1, the Annual Governance Statement, and refer to the [Practitioners' Guide](#), which states exactly what a 'Yes' response means in line with proper practice, prior to confirming compliance. It is good practice for members to assess each of the mandated requirements specified in the Practitioners' Guide when considering a Yes/No response to each assertion. (NB There are several requirements in respect of each assertion).

Those assertions that state 'during the year' may refer to arrangements in respect of the 2019/20 Annual Governance and Accountability Return. **Please therefore ensure that any matters raised on the external auditor report in the prior year are considered and, where appropriate, reflected in the 'Yes' or 'No' responses provided.**

Please note: Where the authority has answered 'No' to any assertions on Section 1, as stated on the face of Section 1 of the AGAR a sufficiently detailed explanation of the reasons must be:

- provided to us when submitting the AGAR; **AND**
- published with the AGAR on the authority's website.

12. Documentation to be submitted with the AGAR Part 3

If your smaller authority is subject to a limited assurance review this year, please only [submit \(preferably by email\)](#) the documents listed below. Links to all the pro forma templates can be found [here](#). Please ensure that all documents are labelled with the smaller authority's name and, for local councils and parish meetings, the county area as well:

- a fully completed and approved AGAR Part 3. **REMINDER: Section 1 must be approved before Section 2. This can either be done at separate meetings or as separate agenda items but in the correct order (failure to do so gives rise to an 'except for' matter in our opinion);** and
- the completed form confirming the **dates planned for the provision for the exercise of public rights** (see chapter 10 for the requirements and consequences of failing to follow the requirements); and
- a **bank reconciliation** showing how the cash balance in Box 8 is arrived at (we have provided an example and a pro forma bank reconciliation for your information). [NB: some 'other' smaller authorities may not have their own bank accounts, in which case a letter from the Section 151 officer of the lead authority stating the amount of cash held on behalf of the smaller authority is required in lieu of a bank reconciliation]; and
- a **full explanation, with figures, of any 'significant' variances** between the current and prior Accounting Statements and a **full explanation, with figures for any 'high' levels of reserves** held (we have provided a pro forma for your information which shows which variances require an explanation and explains what is meant by 'significant' and 'high'). Please note, from 2020/21, explanations for variances of £100,000 or more are required regardless of the percentage variance between years. The 2020 Practitioners' Guide includes guidance in paragraphs 5.32 and 5.33 in respect of reserves. **(NB: For those authorities subject to the Transparency Code for Smaller Authorities, the explanation of variances must also be published on the authority's website with the AGAR);** and
- for those smaller authorities preparing accounts on an income and expenditure basis* only, a **reconciliation between Boxes 7 and 8 of Section 1 of the AGAR** (we have provided a pro forma for your information); and
- the **annual internal audit report (AIAR)** – this is the single page form included within the AGAR Part 3; and
- **where the internal auditor has answered 'No'/'N/A'/'Not covered' to any objectives** on the AIAR, an explanation for those answers
- **where the internal auditor has referred to a separate report** on the annual internal audit report, a copy of that report; and
- **where the authority has answered 'No' to any assertions** on Section 1, a detailed explanation of the reasons **(NB: these must also be published with the AGAR);** and
- any **further information we have requested** (see chapter 13 of these instructions for additional information **for intermediate level procedures**); and
- **for IDBs only:** a copy of the **Section 48 notice, together with a reconciliation** and explanations from the notice to the amount stated in Section 2, Box 2 of the AGAR if these two figures are not the same **(for those smaller authorities that are internal drainage boards only);** and
- **if your declaration in respect of trust funds has changed** from the prior year, please include an explanation for us when submitting your return **(local councils (i.e. parish & town councils) only)**

* Current rules require smaller authorities where the gross income or expenditure for the year (whichever is the higher) has exceeded the threshold of £200,000 for a period of three continuous years, to report their financial details on an income and expenditure basis, from the third year onwards. The receipts and payments basis (i.e. cash accounting basis) may only be used by smaller authorities consistently below this threshold.

It is important that you only [send](#) us the information that we have requested and do not send us originals. Any information received that has not been requested will not be reviewed and will not be sent back.

Please note that the [pro forma templates](#) are provided for your information and convenience – we do not require the information to be provided on the pro formas if the same information can more conveniently be provided in a different format.

REMINDER: Submission deadline is **Friday 2 July 2021**.

13. Intermediate level review procedures

a) If **either your total gross income or expenditure is greater than £200,000** then your smaller authority automatically meets the requirements for an intermediate level review (i.e. you will not have received an additional email informing you of the fact that you must provide the additional information for intermediate review).

b) External auditors are also required to select a **random sample each year of up to 5%** of smaller authorities, who would otherwise be subject to basic level review procedures, for intermediate level review procedures. In addition, we have discretion to select an additional sample on a risk-based approach. If your smaller authority is selected for intermediate level procedures as part of either of these samples, you will have been informed via a separate email. Please note your authority will **not** be charged an additional fee for the additional work we undertake. **NB: if an exempt authority is chosen as part of the random sample, it will NOT be subject to either a basic or intermediate review once it has submitted its exemption certificate.**

IMPORTANT: If your smaller authority has been identified as requiring intermediate level review procedures as a result of the criteria in either a) or b) above, you must send the following information (preferably by email only), in addition to the basic level review information listed in chapter 12 of these instructions:

- Evidence that the authority is registered as an employer with HMRC*; and
- if the 2019/20 external auditor report included any 'except for' matters, copies of minutes and any agreed plan showing the corrective action taken to address these matters.

* Please see the guidance included in the Practitioners' Guide 2020 paragraphs 5.48 to 5.54 in respect of Employment issues.

The Annual Governance Statement assertions indicate the various governance arrangements **that cannot be delegated away from the whole authority**, i.e. the members collectively approve the responses based on the supporting papers and discussion for each assertion.

REMINDER: The default submission deadline is **Friday 2 July 2021**.

14. Fees

Your fee for the work undertaken by us as your external auditor is determined by the [scale of fees](#) for smaller authorities set by SAAA for the five years from 2017/18.

An administration charge of £40, plus VAT, will be incurred for issuing chaser letters for outstanding or incomplete information.

Where we have to issue statutory recommendations or public interest reports in respect of a failure to provide an AGAR, each of these attract the standard fee for a limited assurance review, based on the income and expenditure bandings for the last known previous year, i.e. a minimum of £200 plus VAT for each.

Non-responders – fees and consequences

Submission deadlines

Every year we encounter significant difficulties with authorities failing to submit their documentation by the submission deadline. The default submission deadline for the receipt of the approved AGAR and supporting documentation or the Certificate of Exemption (as appropriate) is **Friday 2 July 2021**. Non-submission by the agreed date will lead to chargeable chaser letters being issued (£40 plus VAT for all financially active smaller authorities). See also **Appendix 3** for examples of the impact on fees for non-responders.

If the smaller authority is not able to meet the default submission deadline, please [contact us](#) beforehand to arrange an extension to the deadline (subject to below) to avoid incurring the administrative charges.

It is important to note that:

- **no submission deadlines will be granted beyond 15 September;**
- **it will only be possible to extend submission deadlines by a maximum of 4 weeks at a time providing sufficient justification explaining the need for the extension is given;**
- **a statutory recommendation will be issued to all financially active non-responding authorities that fail to submit their documents by 15 September. Statutory recommendations for non-response are charged at the standard fee rate depending on the authority's expenditure banding and hence give rise to a minimum additional fee of £200 plus VAT. IMPORTANT: If a financially active smaller authority is issued with a statutory recommendation (and/or a public interest report) for 2020/21 it will not be able to claim exemption from a limited assurance review for 2021/22, regardless of whether it meets all other criteria.**

Is the smaller authority able to submit either their signed AGAR and supporting documents or exemption certificate by the specified submission date?



Please complete all documentation and submit to us (**preferably by email**) by the specified submission date.



Contact us at sba@pkf-l.com to arrange an alternative submission date (subject to the conditions set out above)

15. Electronic communication

As stated throughout these instructions, our preferred form of communication with all smaller authorities is email. Internet communications are however capable of data corruption and therefore we do not accept any responsibility for changes and corruptions made to such communications after their despatch. We do not accept responsibility for any errors or problems that may arise using internet communication and all risks connected with sending sensitive information relating to the smaller authority are borne by you.

If you do not agree to accept this risk, you should notify us in writing that email is not an acceptable means of communication. Although we take steps to prevent viruses affecting emails and attachments sent by us, it is your responsibility, as the recipient, to carry out a virus check on any attachments received.

16. Quality of service

If you wish to comment on the service we have provided there is a [satisfaction survey](#) available on our website for where you can leave feedback about your experience. The questions in the survey assume you are providing feedback after your review has been concluded or once you have notified us of your claim for exemption.

We welcome comments on our service delivery and would ask that, in the first instance, you raise any issues regarding our service with the Manager, via the sba@pkf-l.com email address. Where the Manager has been unable to resolve any issues to your satisfaction, or you do not consider it appropriate to raise the issue with the Manager, please let us know by addressing your concerns to the Contact Partner also via sba@pkf-l.com; the Contact Partner has ultimate responsibility for our SAAA appointments. If you do not consider it appropriate to raise the issue with the Contact Partner, please refer the matter to the Firm's Managing Partner, Dominic Roberts, via dominicroberts@pkf-l.com.

We undertake to investigate any complaint carefully and promptly and to do all we can to explain the position to you. If we have given you a less than satisfactory service, we undertake to do everything reasonable to put it right. If you consider that we have not dealt adequately with your complaint, you may refer the matter to [SAAA](#); however, before doing so please review the relevant [guidance](#) on the SAAA website to ensure SAAA has the authority to deal with the nature of the matters you wish to raise. You may also refer the matter to the Institute of Chartered Accountants in England and Wales, which has the power to investigate complaints against its members.

17. Independence

It is an important part of the process that we are independent and are seen to be independent of the smaller authority. We have put in place procedures which are designed to ensure that this is the case but if you or any of your Members believe that there is a conflict of interest which prevents us being independent, we should be grateful if you would advise us by email to sba@pkf-l.com.

18. Final checklist

We look forward to [receiving](#) either the 2020/21 exemption certificate for your smaller authority (only) or the AGAR Part 3/3PM and the additional information we have requested by **Friday 2 July 2021**.

Please submit all documentation by **email only** wherever possible to prevent unnecessary delays in dealing with multiple submissions. If email is not possible, please refer to chapter 1 of these instructions for our postal address. **PLEASE DO NOT POST US COPIES OF INFORMATION THAT YOU HAVE ALREADY EMAILED TO US. Also, please note that it will not be possible to return any documents submitted so please do not submit originals.**

Please ensure that you do the following:

- refer to our decision tree to ensure you have completed the correct AGAR form;
- include the **smaller authority's name and county area** (for local councils and parish meetings) on all documents submitted;
- read the appendices to these instructions which set out common errors and general misunderstandings we encounter regularly;
- **keep a copy** of everything that you send us for your records;
- complete and return the **contact details** form, to enable us to keep our records up to date. **This is especially important if there are any contact personnel changes arising from local elections.** (Please note that it is helpful for every smaller authority to have its own email address so that contact is not completely lost when there is a change of personnel of which we are not informed; and
- if submitting by post please use the **correct postage**, e.g. a 'large' letter (larger than A5 or thicker than 5mm) requires additional postage in the form of a 'large letter' stamp. Failure to apply the correct **postage** may result in a delay in us receiving your completed AGAR and therefore our subsequent review.

What you can expect from us

- You should receive an automated 'do not reply' acknowledgement email when your AGAR has been logged onto our database (there may be a delay between receipt and processing on the database during peak times);
- Authorities claiming exemption will be reminded in that automated 'do not reply' acknowledgement email that their notification of exemption means there will be no certificate issued by us for that reporting year;
- Where an AGAR Part 3/3PM is submitted for review, we may need to contact you for further explanations and/or information as we carry out our review. If no further information is required, we will email you again when our work is complete.

APPENDIX 1 - Common errors made by smaller authorities - general

Most common issues 2019/20:

Issue	Auditor comments
1. Some smaller authorities are not considering our prior year reporting issues when completing the AGAR, both in terms of amendments required to figures and repeat of approval errors for example	Where there are matters that have an ongoing effect we are required to raise 'except for' or 'other' matters in the current year.
2. Assertion 4 not being ticked 'No' despite the authority being advised to do so in our prior year report due to public rights period not having been compliant with Regulations.	This generates a common 'except for' matter that is avoidable if the instructions in our prior year report are followed.
3. Public rights period not being compliant with Regulations (submission date changes do not impact on the requirement to comply)	Please see Appendix 4 .
4. Staff costs are commonly misclassified between Boxes 4 and 6.	The Practitioners' Guide for 2020 includes guidance for the 2020/21 reporting year onwards in this respect. This is available on our website and clarifies what should be reported in each box.
5. We are still finding some self-employed clerks.	Authorities MUST be registered as employers with HMRC by law.
6. Narrative AND numerical explanations of variances are often not submitted. There is also a lack of correlation of movements in Boxes 3/6/9 re asset additions and disposals.	This is the most common reason we need to contact clerks during review process so that they avoid reporting matters being raised. Please note that variances of £100,000 and above now require an explanation regardless of the percentage variance.
7. Intermediate documents are frequently not submitted with the AGAR	All authorities over £200k and a selection of 5% of those below are subject to an intermediate review each year. Every year a high proportion of authorities subject to intermediate review fail to send the required documentation.
8. Comparatives not being restated when there is a change in either policy or presentation.	This commonly applies to asset revaluations or a change in accounting basis between receipts & payments and income & expenditure. Failure to restate the comparatives on a consistent basis as the current year figures results in an 'except for' matter being raised in our opinion.
9. Cancelled cheques/refunds of expenditure being incorrectly included as income. Conversely, income received being refunded being treated as expenditure.	The impact of reporting these as income is to artificially inflate the income and expenditure of the authority. These should be written back against Box 4/5/6 as appropriate even if the 'refund' falls into the following accounting period. Similarly, if income received needs to be refunded for whatever reason this is not expenditure, it is cancelling out the income. Incorrect treatment can lead to the income/expenditure banding the authority falls into being artificially inflated and hence the authority being falsely subject to a higher standard fee.
10. VAT debtors being incorrectly recognised in Box 3 for authorities on a receipts and payments basis.	These often arise as bank reconciliation and Box 7-8 reconciliation errors. Where an authority accounts on a receipts and payments basis it should only account for the VAT receipt when it is physically received.
11. Incorrect reconciling items between Boxes 7 and 8 – e.g. loans/deferred income;	Several loans have been highlighted in this way. This reconciliation applies to authorities using the income and expenditure basis only and should reconcile this basis with the cash position as shown in Box 8.

Issue	Auditor comments
12. Trust fund disclosure responses not accurate (all Sections).	This area of the form is generally poorly answered, guidance is provided on the form.
13. Incorrect omission of items when calculating total income and expenditure for exemption certificate, e.g. loans received/grants received and spent in year/non-precept income/expenditure from reserves;	As set out in chapter 6, where smaller authorities claim exemption but we discover in a subsequent reporting year that the authority was not eligible to do so as their income and/or expenditure for the relevant year exceeded £25,000, a public interest report will be issued.
14. AIAR: Internal control objective in respect of prior year exemption is incorrectly completed for many authorities.	This internal control objective asks the internal auditor to confirm that where the authority claimed exemption from the requirement to have a limited assurance review <u>for the prior year</u> , that it met the eligibility criteria that entitled it to do so. The wording has been clarified on the form for 2020/21 onwards.
15. Change of clerk/email address not notified to us.	The consequences of us not having the correct contact information on our system are huge. If we are not provided with the correct contact details the instructions will be issued to the wrong person which can result in chaser letters being sent and charges incurred. Whilst all information is available on our website, often this makes no difference as incoming clerks do not always refer to it. It is also common for former clerks to not pass on any correspondence that comes to them and the issue can be left undiscovered, for months. Please can we ask that authorities use the contact details forms on our website (or email us separately) to help us maintain the accuracy of our contact database.

APPENDIX 2 – Common misunderstandings over the rules for claiming exemption

Below are some common misunderstandings in respect of the exemptions from the requirement to have a limited assurance review that we have experienced since the new legislation was introduced for the 2017/18 reporting season.

Misunderstanding	Clarification
Some smaller authorities do not hold a meeting to formally approve their exemption certificate, instead they simply sign and submit the form.	This was especially the case during the 2019/20 season as a result of lockdown, but the issue was present prior to that season. Without a formal meeting of the authority there is no legal decision taken by the authority to claim exemption and hence we can only log the authority's intention to exempt, not exemption having been claimed by the authority.
Some smaller authorities were under the impression it was the auditor who decided which authorities were exempt and which were not. This resulted in some authorities who could have claimed exemption not doing so and in turn incurring a standard fee of £200 plus VAT.	<p>All smaller authorities are subject to a limited assurance review each financial year unless they claim exemption from the regime.</p> <p>It is the smaller authority's responsibility firstly, to ascertain whether it meets the eligibility criteria (see chapter 6), secondly, to complete and publish the relevant AGAR (i.e. either Part 1 or 2) and, lastly, to notify their appointed auditor that they have claimed exemption.</p>
Some smaller authorities in the under £25,000 income and expenditure band did not realise if they did not exempt themselves that there was a standard fee of £200 plus VAT applicable for the review performed.	<p>Since 2017/18 all limited assurance reviews are subject to a standard charge, even those for authorities in the under £25,000 fee band.</p> <p>The standard fees for the reviews performed are published on the SAAA website here.</p>
Some smaller authorities claiming exemption did not realise they needed to notify the appointed auditor that they had claimed exemption, resulting in the auditor issuing chasing letters for which there is a standard fee of £40 plus VAT.	<p>All smaller authorities need to communicate with their appointed auditors by the submission deadline for every reporting year, either to notify them of their claim for exemption or to submit (preferably by email only) the completed AGAR Part 3 and supporting documentation for review.</p> <p>Failure to report to the appointed auditor by the submission deadline will result in chaser letters being issued and the SAAA charges being applied.</p> <p>Even authorities claiming exemption will be subject to letter charges if they have not notified their appointed auditor by the submission deadline.</p> <p>Details of charges are on the SAAA website here.</p> <p>Please see chapter 14 in respect of the process for administering submission deadlines.</p>
Some smaller authorities thought if their External Auditor Report and Certificate for the prior year had any points raised as 'except for' matters or 'other' matters that they were not eligible to claim exemption.	<p>An 'except for' matter or an 'other' matter raised in the prior year report has no impact on a smaller authority's ability to claim exemption. The only reports issued by the appointed auditor to a smaller authority that prevent a claim for exemption are those issued in respect of the prior year as listed below:</p> <ul style="list-style-type: none"> • public interest report; • statutory recommendation; • advisory notice; • judicial review; or • application to court re unlawful item of account.
Many smaller authorities claiming exemption complained to us and SAAA	Once a smaller authority has claimed exemption from a limited assurance review and notified the appointed auditor, there is no External Auditor Report and Certificate to issue. The receipt

Misunderstanding	Clarification
about not receiving their External Auditor Report and Certificate.	<p>of the notification of exemption marks the end of the process for that reporting year.</p> <p>Please note that whilst the smaller authority can exempt itself from having to have a review, the appointed auditor is still obliged to receive and act upon challenges raised by local electors in respect of exempt authorities in the same way as it is for non-exempt authorities (see also chapter 10).</p>
One claim for exemption means the smaller authority has no need to communicate with the appointed auditor again.	<p>Claims for exemption can only be made after 31 March of each relevant reporting year considering:</p> <ul style="list-style-type: none"> • the smaller authority's level of financial activity for that year; <u>and</u> • any statutory reports issued in respect of the prior year.
Some smaller authorities were being advised that if they had failed to publish the necessary documentation in respect of providing for the exercise of public rights on their website that they could not claim exemption.	<p>The criteria for claiming exemption (set out earlier in this chapter) is not related to whether the smaller authority has correctly provided for the exercise of public rights.</p>

APPENDIX 3 - Fee implications for non-responders using submission date 2 July 2021

We have set out below a few scenarios showing the impact on the fees and charges for a non-responding smaller authority.

A. Complete lack of response:

Timing	Action	Consequence
2 July	Smaller authority fails to submit an AGAR or exemption certificate	<ul style="list-style-type: none"> Smaller authority identified as a non-responding authority
16 July	Still no response – auditor issues chaser 1 letter	<ul style="list-style-type: none"> Fee of £40+VAT charged
6 August	Still no response – auditor issues first formal chaser	<ul style="list-style-type: none"> Second fee of £40+VAT charged
27 August	Still no response – auditor issues statutory recommendation for non-response	<ul style="list-style-type: none"> Standard fee in accordance with the <u>prior year's</u> income/expenditure banding, (minimum of £200+VAT) charged on top of 2 chaser fees. Smaller authority <u>will not be able to claim exemption from a limited assurance review for 2021/22</u> regardless of whether it meets all other criteria.
8 October	Still no response – auditor issues public interest report	<ul style="list-style-type: none"> Standard fee charged in accordance with the <u>prior year's</u> income/expenditure banding (minimum £200+VAT)

Please note: If after receiving the public interest report the smaller authority subsequently submits an AGAR Part 3/3PM and documentation for review, a further standard charge will be made in accordance with the income/expenditure bandings.

B. Smaller authority submits AGAR Part 3/3PM for review after being chased for information

Timing	Action	Consequence
2 July	Smaller authority fails to submit an AGAR or exemption certificate	<ul style="list-style-type: none"> Smaller authority identified as a non-responding authority
16 July	Still no response – auditor issues chaser 1 letter	<ul style="list-style-type: none"> Fee of £40+VAT charged
6 August	Still no response – auditor issues first formal chaser	<ul style="list-style-type: none"> Second fee of £40+VAT charged
27 August	Still no response – auditor issues statutory recommendation for non-response	<ul style="list-style-type: none"> Standard fee in accordance with the <u>prior year's</u> income/expenditure banding, (minimum of £200+VAT) charged on top of 2 chaser fees. Smaller authority <u>will not be able to claim exemption from a limited assurance review for 2021/22</u> regardless of whether it meets all other criteria.
28 August	Auditor receives completed AGAR Part 3 and supporting documentation for review.	<ul style="list-style-type: none"> On conclusion of the review a standard fee is charged in accordance with the income/expenditure banding (minimum £200+VAT) Any fees for additional work are charged at the rates published on the SAAA website

C. Smaller authority claims exemption after being chased for information

Timing	Action	Consequence
2 July	Smaller authority fails to submit an AGAR or exemption certificate	<ul style="list-style-type: none"> Smaller authority identified as a non-responding authority
16 July	Auditor issues chaser 1 letter	<ul style="list-style-type: none"> Fee of £40+VAT charged
6 August	Auditor issues first formal chaser	<ul style="list-style-type: none"> Second fee of £40+VAT charged
7 August	Auditor received exemption certificate from smaller authority	<ul style="list-style-type: none"> The smaller authority must settle the £80+VAT charges in respect of 2 chaser letters issued. The review year is closed. There are no certificates or other closure documents issued for exempt authorities.

D. Smaller authority agrees revised submission deadlines throughout the season but fails to submit their documents by 15 September

Timing	Action	Consequence
2 July	Smaller authority fails to submit an AGAR or exemption certificate but contacts us to agree revised submission dates of 31 July	<ul style="list-style-type: none"> Smaller authority classified as a non-responding authority with documentation noted as not yet due
16 July	None	<ul style="list-style-type: none"> No chaser letter issued as revised submission date not passed Smaller authority avoids incurring administrative costs of £40+VAT
31 July	Smaller authority fails to meet revised submission deadline	<ul style="list-style-type: none"> Smaller authority identified as a non-responding authority with documentation overdue
1 August	Auditor issues chaser 1 letter	<ul style="list-style-type: none"> Fee of £40+VAT charged
5 August	Smaller authority contacts us to request a later submission deadline of 15 August	<ul style="list-style-type: none"> None
15 August	Smaller authority contacts us to request a later submission deadline of 25 August	<ul style="list-style-type: none"> None
25 August	Smaller authority contacts us to request a later submission deadline of 10 September	<ul style="list-style-type: none"> None
15 September	Smaller authority still fails to submit an AGAR or exemption certificate	<ul style="list-style-type: none"> None
16 September	No first formal chaser letter is issued BUT a statutory recommendation issued for non-response as the smaller authority is 2.5 months late in submitting its documents	<ul style="list-style-type: none"> Standard fee in accordance with the <u>prior year's</u> income/expenditure banding, (minimum of £200+VAT) charged on top of any chaser fees. Smaller authority <u>will not be able to claim exemption from a limited assurance review for 2021/22</u> regardless of whether it meets all other criteria.
Smaller authority either then submits the required documentation for review, claims exemption or receives a public interest report as above		Consequences as set out in examples 1-3

APPENDIX 4 – Common errors in respect of public rights dates

Issue	Implication for external auditor report in the current year
<p>1. The changes in legislation for the 2019/20 year in respect of the period for the exercise of public rights required authorities to commence their 30 working day period on or before 1 September 2020 but many failed to consider this requirement alongside the requirement of Regulation 12 (3) of the Accounts and Audit Regs 2015 in respect of the signing and approval of the statement of accounts for Category 2 authorities. This requires <i>“the Responsible Financial Officer, as soon as practicable after the date on which the authority complies with regulation 12 (2c) (re. accounts approved and signed following meeting), to do the following on behalf of the smaller authority:</i></p> <ul style="list-style-type: none"> <i>a) commence the period for the exercise of public rights in accordance with regulation 14 and regulation 15; and</i> <i>b) notify the local auditor of the date on which that period was so commenced.”</i> <p>This gave rise to other matters being raised in Section 3 of the AGAR where there was a significant gap between approval of the AGAR and the commencement of the public rights period.</p>	<p>This issue should not recur as any other matters we report in respect of the setting of the period for the exercise of public rights will be made with reference to the inclusion of the first 10 working days of July.</p>
<p>2. General confusion about which year the AGS Assertion 4 is referring. For example, for AGS Assertion 4 in the 2020/21 AGAR requires a response in respect of the year from 1 April 2019 to 31 March 2020, hence the period provided for the exercise of public rights in respect of the prior year AGAR.</p>	<p>See below.</p>
<p>3. Public rights period does not comply with Regulation 15 of the Accounts and Audit Regulations 2015 as either:</p> <ul style="list-style-type: none"> a. it is less than 30 working days in length; b. it does not include the first 10 working days of July; c. it starts either before or on the day of approval of Section 2; or d. the Notice has not been advertised with the approved AGAR on a website before the start of the period (posting on a noticeboard alone is not sufficient). <p>The rules are still widely misunderstood. These errors apply not only to those subject to review but also to those certifying themselves as exempt.</p>	<p>‘Other’ matter raised for those authorities subject to review instructing them to respond ‘no’ to Assertion 4 in the AGS for the following year.</p> <p>No reporting consequences for those certifying themselves as exempt as we do not issue a report.</p> <p>We have experienced an increasing number of authorities setting a 30-working day period that has completely expired before the AGAR has been approved, hence if a member of the public wished to inspect the accounts, they would not be able to. In these circumstances we request that the authority sets a new 30-working day period and re-advertises that period. We are not able to complete our review until that new period has expired to permit any inspection to take place.</p>
<p>4. Failure to publish the approved AGAR and the explanatory notes on the website as well as the Notice at least the day before the PR period starts.</p>	<p>‘Other’ matter raised instructing the authority to respond ‘no’ to Assertion 4 in the AGS for the following year.</p>
<p>5. AGS Assertion 4 response is ‘yes’ but prior year external auditor report included ‘other’</p>	<p>‘Except for’ matter raised in respect of Assertions 4 and 7.</p>

<p>matter highlighting period for the exercise of public rights did not comply with Regulation 15 of the Accounts and Audit Regulations 2015 and authority instructed to respond 'no'.</p>	
<p>6. Failure to notify the external auditor of the period for the exercise of public rights.</p>	<p>We cannot sign off until after the period for the exercise of public rights has expired so if we do not know the dates we cannot sign off.</p> <p>Public Interest Report will be issued if no dates notified.</p>
<p>7. Use of the wrong template Notice</p> <ul style="list-style-type: none"> a. use of the Notice for exempt authorities by non-exempt authorities; or b. use of the Notice for authorities subject to review by exempt authorities. 	<p>'Other' matter raised for those subject to review instructing the authority to respond 'no' to Assertion 4 in the AGS for the following year.</p> <p>No reporting consequences for those certifying themselves as exempt as we do not issue a report.</p>

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