

Our Ref WO0144
SAAA Ref SB08594
Email sba@pkf-l.com

27 November 2020

Dear Members

Tibberton Parish Council

Statutory recommendation: Failure to submit an Annual Governance & Accountability Return (AGAR) for the year ending 31 March 2020

The Local Audit and Accountability Act 2014 (the Act) requires that the accounts of smaller authorities are made up each year to 31 March and then reviewed by the appointed auditor.

Tibberton Parish Council is required by law:

- to prepare Accounting Statements for the year ended 31 March 2020 in the form required by proper practices¹ (the AGAR);
- to approve and publish the AGAR including the Accounting Statements;
- to provide for the exercise of public rights of inspection; and
- to publish the AGAR, including the external auditor's signed report, by 30 November 2020.²

As set out in our instructions issued in April 2020, statutory recommendations are issued to financially active authorities who fail to submit the relevant documentation where either of the following circumstances apply:

- the authority has **not** contacted us to agree an alternative submission deadline to the default deadline of 31 July 2020 and we have made several unsuccessful attempts to obtain an approved AGAR (with all relevant supporting documentation) or Certificate of Exemption; or
- the authority **has** contacted us to agree at least one alternative submission deadline but failed to submit an approved AGAR (with all relevant supporting documentation) or Certificate of Exemption either by the most recently agreed deadline or by 13 November 2020.

¹ Proper practices are set out in *Governance and Accountability for Smaller Authorities in England*, which is approved by the Joint Panel on Accountability and Governance (JPAG) and published jointly by the Society of Local Council Clerks (SLCC), the National Association of Local Councils (NALC) and the Association of Drainage Authorities (ADA).

² This deadline has been extended from 30 September 2020 for 2019/20 only as a result of the restriction imposed by the government to prevent the spread of Covid-19.

We are the appointed auditors to Tibberton Parish Council (the smaller authority) and we have yet to receive either your approved AGAR (with all relevant supporting documentation) or Certificate of Exemption, hence Tibberton Parish Council meets one of the above stated criteria. Depending on whether you have previously contacted us to agree alternative submission deadlines and the timing of that contact, you may also have been sent letters chasing the outstanding information. Each chaser letter is charged at £40 plus VAT per letter.

Members of Tibberton Parish Council should be aware that the local electors and other interested persons must be provided with the opportunity to exercise their statutory rights with regard to the accounts of the smaller authority as set out in the Act and the Accounts and Audit Regulations 2015.

It is possible that the smaller authority has certified itself exempt from a limited assurance review for 2019/20 but has failed to submit a copy of the Certificate of Exemption. To be exempt from review, the Local Audit (Smaller Authorities) Regulations 2015 require that the smaller authority certifies itself exempt, but also notifies the 'specified person' that they have done so (Regulation 6). The specified person, currently Smaller Authorities' Audit Appointments Ltd (SAAA), has contractually agreed that the appointed auditors will be responsible for receiving notification by way of a completed Certificate of Exemption. As we have not yet received a Certificate of Exemption, we are required to proceed on the basis that the smaller authority is not exempt with regard to the AGAR for the year ended 31 March 2020 and should therefore have submitted an AGAR.

As a result of the smaller authority's failure to submit an AGAR for the year ended 31 March 2020, we are issuing the following statutory recommendation under Schedule 7 of the Act:

- **The smaller authority should submit the approved Annual Governance & Accountability Return or Certificate of Exemption (if appropriate) for the year ended 31 March 2020 for our review within 7 days of the public meeting required as a result of this recommendation.**

Please ensure that the following requirements are also met:

- Schedule 7 of the Act requires the smaller authority to consider this recommendation at a meeting to be held held within one month of the date of this letter. At that meeting the smaller authority must decide whether the recommendation is to be accepted, and what, if any, action to take in response to it; and
- publicity for the meeting must also be in accordance with Schedule 7 of the Act (see attached extracts of Schedule 7).

The smaller authority should also contact us within 7 days of the date of this letter to inform us that it has received the recommendation.

This statutory recommendation gives rise to an additional fee of £300.00 plus VAT payable by Tibberton Parish Council on conclusion of the review process, for the additional work involved in repeatedly chasing for the required documentation and the production of the statutory recommendation letter.

If we receive no response from the smaller authority within 42 days of the date of this letter, we will consider further exercising our additional powers by issuing a public interest report. Please note, this would give rise to a further charge equivalent to that charged for this statutory recommendation.

The smaller authority should also note that, as a result of receiving this statutory recommendation, the smaller authority will not be eligible to certify itself as exempt from limited assurance review in 2020/21 (if it would otherwise be eligible), as it will have failed one of the qualifying requirements set out in Regulation 9(3) of The Local Audit (Smaller Authorities) Regulations 2015.

Yours faithfully



PKF Littlejohn LLP

cc Clerk – Tibberton Parish Council, Secretary of State, National Audit Office, Monitoring Officer of local authority (local councils only)