



2025

Year-End and Audit



What will this course cover?

- Internal Controls
- Internal Audit
- External Audit
- End Of Year AGAR
- End Of Year Documents
- Publication and Public Inspection
- Transparency Code
- Common Mistakes



Key Documents

- Practitioners' Guide
- Cash Book
- Bank Statements
- AGAR Form

Relevant Legislation

- Local Audit and Accountability Act 2014
- The Accounts and Audit Regulations 2015
- The Smaller Authorities (Transparency Requirements) (England) Regulations 2015
- The Local Government (Transparency Requirements) (England) Regulations 2015
- Freedom of Information Act 2000
– Local Government Model Publication Scheme



Key roles in signing off the AGAR

- **The Clerk** – Annual Governance Statement
- **Responsible Financial Officer** – Annual Financial Statement
- **Internal Auditor** – Annual Internal Audit Statement
- The **chair of the meeting** approving the Annual Governance Statement and the Annual Financial after the Council resolves to approve them (this may not necessarily be the Chair of the Parish/Town Council).

	Year ending		Notes and guidance
	31 March 2022 £	31 March 2023 £	
1. Balances brought forward			Total balances and reserves at the beginning of the year as recorded in the financial records. Value must agree to Box 7 of previous year.
2. (+) Precept or Rates and Levies			Total amount of precept (or for IDBs rates and levies) received or receivable in the year. Exclude any grants received.
3. (+) Total other receipts			Total income or receipts as recorded in the cashbook less the precept or rates/levies received (line 2). Include any grants received.
4. (-) Staff costs			Total expenditure or payments made to and on behalf of all employees. Include gross salaries and wages, employers NI contributions, employers pension contributions, gratuities and severance payments.
5. (-) Loan interest/capital repayments			Total expenditure or payments of capital and interest made during the year on the authority's borrowings (if any).
6. (-) All other payments			Total expenditure or payments as recorded in the cashbook less staff costs (line 4) and loan interest/capital repayments (line 5).
7. (=) Balances carried forward			Total balances and reserves at the end of the year. Must equal (1+2+3) - (4+5+6).
8. Total value of cash and short term investments			The sum of all current and deposit bank accounts, cash holdings and short term investments held as at 31 March – To agree with bank reconciliation.
9. Total fixed assets plus long term investments and assets			The value of all the property the authority owns – it is made up of all its fixed assets and long term investments as at 31 March.
10. Total borrowings			The outstanding capital balance as at 31 March of all loans from third parties (including PWLB).

For Local Councils Only	Yes	No	N/A	
11a. Disclosure note re Trust funds (including charitable)				The Council, as a body corporate, acts as sole trustee and is responsible for managing Trust funds or assets.
11b. Disclosure note re Trust funds (including charitable)				The figures in the accounting statements above do not include any Trust transactions.

I certify that for the year ended 31 March 2023 the Accounting Statements in this Annual Governance and Accountability Return have been prepared on either a receipts and payments or income and expenditure basis following the guidance in Governance and Accountability for Smaller Authorities – a Practitioners' Guide to Proven Practices and present fairly

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

DD/MM/YYYY

Timetable

- Close accounts 31 March onwards
- Sign accounts by 20 June
- Approve AGAR by 27 June
- Publish (and submit) by 30 June (Monday)
- Begin inspection period by 1 July
- Non-exempt councils publish external auditor's report by 30 Sept.

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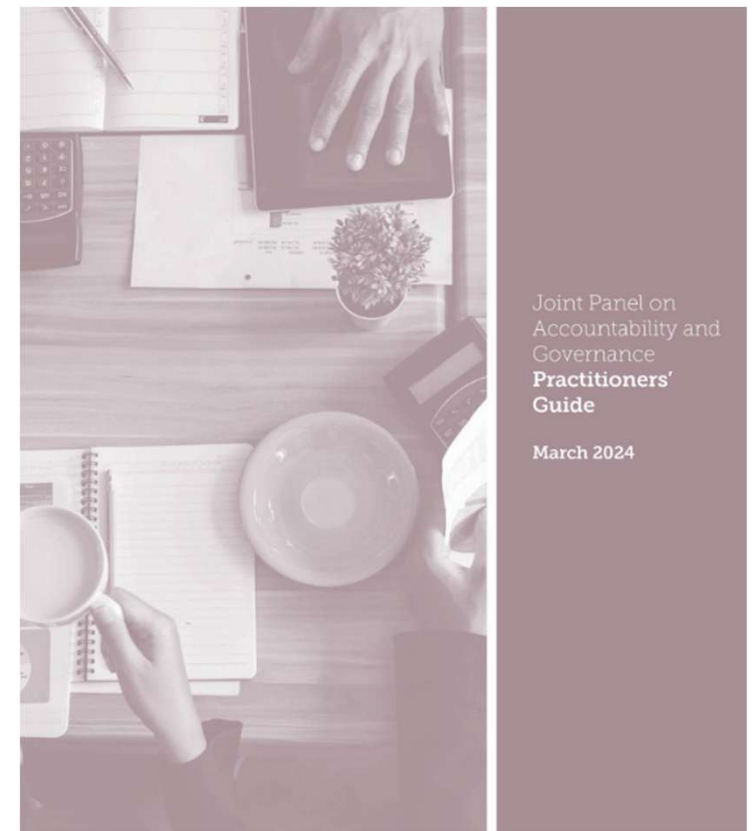
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DD/MM/YYYY

The Practitioner's Guide 2024-25

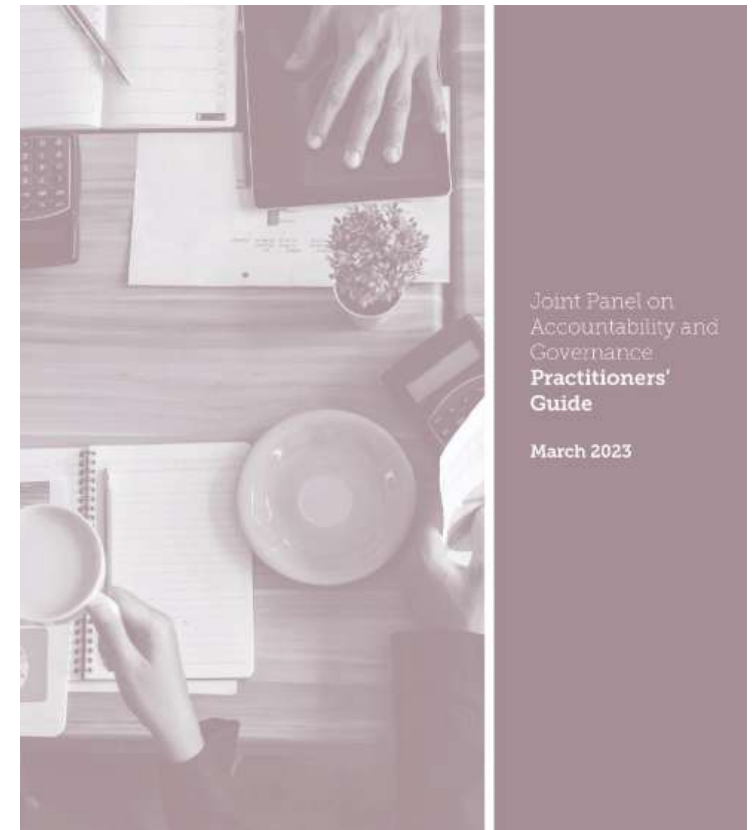
JPAG / NALC issue this in March prior to the start of the financial year it covers.

Available on the LALC website to download – 'Key Documents' on the homepage – you don't need to log in.



The Practitioner's Guide 2024-25

- Section one — proper practices annual governance statement
- Section two — proper practices the statement of accounts
- Section three — proper practices in accounts for a smaller authority
- Section four — best practice guidance for internal audit
- Section five — supporting information for officers



AGAR Forms 2024/25

- Form 1 No transactions
 - Form 2 Under £25k (income or expenditure) & declared exempt
 - Form 3 Everyone else
-
- The forms are in two PDF formats – printable and electronically-enabled.



2023/24 AGAR forms

Authority must use one of the following Annual Governance and Accountability Return (AGAR) forms.
Trust meetings have their own set of instructions and (AGAR) forms, You can view these [here](#).

Documents and forms

Form 1 to be completed and published by smaller authorities with no financial activity [Printable PDF version](#) and [electronically-enabled PDF version](#).

Form 2 to be completed, approved and published by smaller authorities claiming exemption where there are financial transactions [Printable PDF version](#) and [electronically-enabled PDF version](#).

Form 3 to be completed, approved and published by all smaller authorities subject to a limited assurance review [Printable PDF version](#) and [electronically-enabled PDF version](#).

[Form 3 guidance](#) provides further assistance as to which AGAR form should be completed.

[Form 1 guidance for exempt authorities](#)

[Form 2 guidance for smaller authorities subject to a review](#)

[Form 3 requirements](#) page will help explain which forms your organisation will need to complete.

AGAR Forms 2024/25

PKF Littlejohn LLP – external auditors for Lincolnshire parish/town councils

- AGAR Forms were emailed out w/c 18 March 2024
- Forms and other documents available on their website - for 2023-24 it was <https://www.pkf-l.com/services/audit-assurance/limited-assurance-regime/submission-requirements/>
- If your contact details have changed email sba@pkf-l.com to update.

Home > Limited assurance regime > 2023/24 AGAR forms

2023/24 AGAR forms



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Some meetings have their own set of instructions and (AGAR) forms, You can view these here.

Documents and forms

AGAR forms completed and published by smaller authorities with no financial activity Printable PDF version and electronically enabled PDF version.

AGAR forms completed, approved and published by smaller authorities claiming exemption where there are financial transactions Printable PDF version and electronically enabled PDF version.

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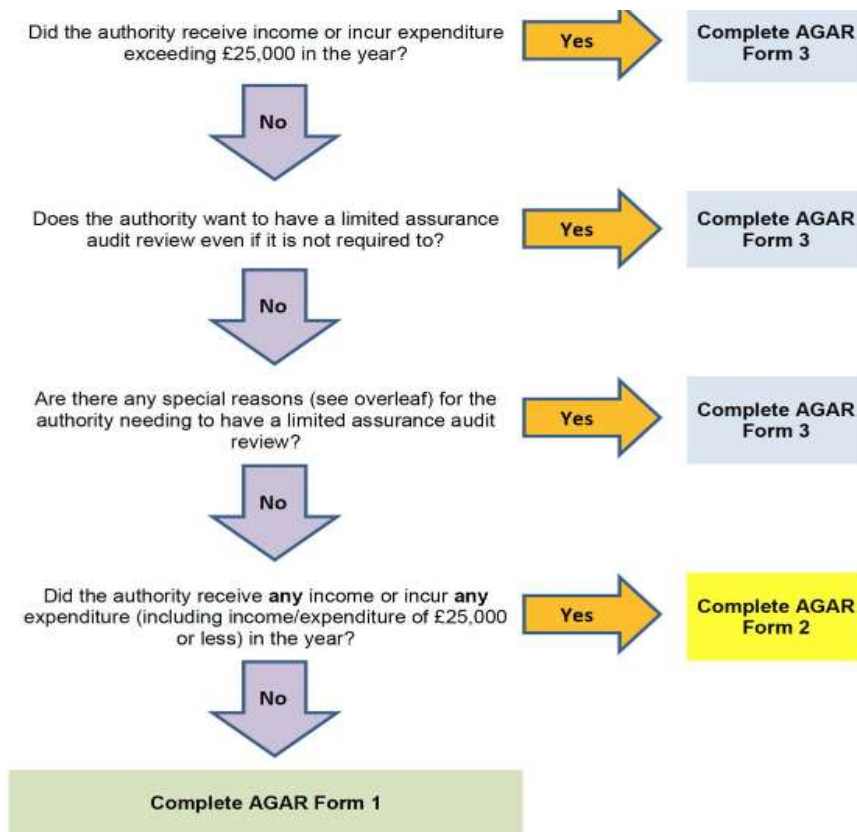
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AGAR forms for exempt authorities

AGAR forms for smaller authorities subject to a review

AGAR forms requirements page will help explain which forms your organisation will need to complete.

Which AGAR Form to complete?



SPECIAL REASONS

If any of these statements is true, the authority must complete AGAR Form 3

1. The financial year is one of the first 3 years of the authority's existence;
2. In relation to the previous financial year, the external auditor:
 - a. has issued a public interest report in respect of the authority or any entity connected with it;
 - b. has made a statutory recommendation to the authority, relating to the authority or any entity connected with it;
 - c. has issued an advisory notice under paragraph 1(1) of Schedule 8 to the Audit and Accountability Act 2014 ("the Act") (other than a notice that has subsequently been withdrawn);
 - d. has commenced judicial review proceedings under section 31(1) of the Act; or
 - e. has made an application under section 28(1) of the Act for a declaration that an item of account is unlawful (other than an application that has been withdrawn or in respect of which the court has refused to make the declaration); or
3. In relation to the previous financial year, the court has declared an item of account unlawful after a person made an appeal under section 28(3) of the Act.

Which AGAR Form to complete?

Form 2 - Smaller Authorities with neither income nor expenditure exceeding £25,000

Must comply with publication requirements to claim exemption from external audit.

AGAR Form 2 for authorities (other than parish meetings) with neither income nor expenditure exceeding £25,000

The authority must ensure that before 1 July:

- 1) the certificate of exemption (page 3) is completed and includes:
 - a) a statement of annual gross income in the year;
 - b) a statement of annual gross expenditure in the year;
 - c) the Chairman's and Responsible Financial Officer (RFO)'s signatures;
 - d) the date(s) on which the certificate of exemption was signed;
 - e) the date on which the certificate of exemption was approved (with minute reference);
 - f) a contact telephone number and email address for the authority; and
 - g) its website address;
- 2) the completed certificate of exemption is sent to the external auditor;
- 3) the internal audit report for the year (page 4) is completed, signed and dated by the internal auditor;
- 4) the annual governance statement (page 5: Section 1) is:
 - a) completed;
 - b) formally approved at a meeting of the authority, with date and minute reference inserted; and
 - c) signed by the Chairman and Clerk;
- 5) summary accounting statements (page 6: Section 2) are
 - a) completed;
 - b) signed and dated by the RFO prior to being presented for approval;
 - c) formally approved at a meeting of the authority with date and minute reference inserted; and
 - d) signed by the Chairman; and
- 6) copies of:
 - a) the completed certificate of exemption;
 - b) the completed, signed and dated annual internal audit report;
 - c) the completed, approved, dated and signed annual governance statement;
 - d) the completed, approved, dated and signed summary accounting statements;
 - e) an analysis of variances
 - f) a bank reconciliation;
 - g) notice of the period for the exercise of public rights; and
 - h) other information required by Regulation 15 (2) of the Accounts and Audit Regulations 2015 are published on the authority's website or another suitable website.



Preparing for year end



Prepare for year-end (31st March)

- Cash book up to date
- VAT records up to date and ready for reclaim (if not registered for VAT)
- Regular bank reconciliations completed
- Asset Register up to date
- Internal controls operated and reviewed
- Internal Audit recommendations implemented
- Accounting method



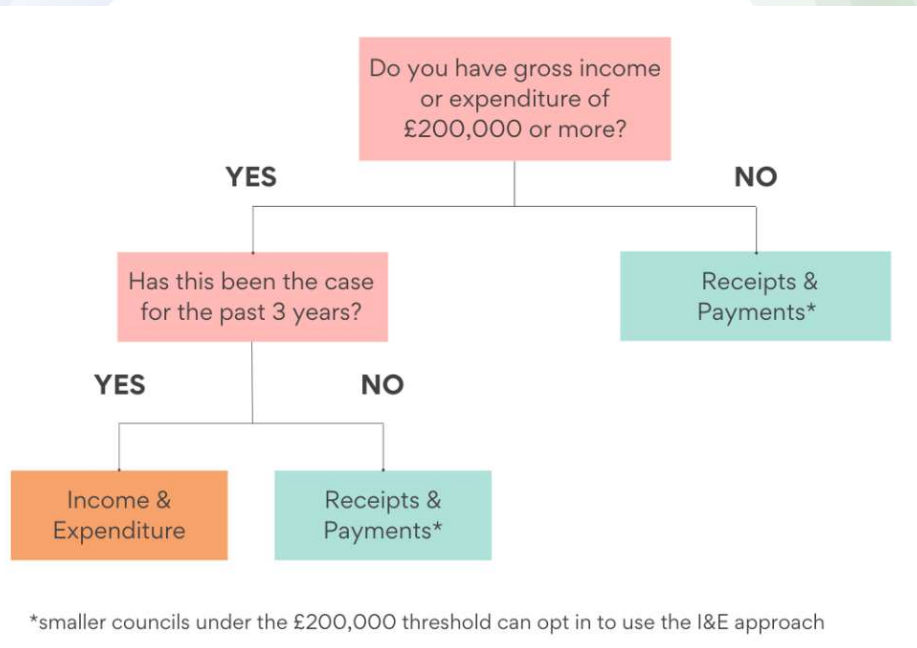


Accounting Method

- Income and Expenditure
- Receipts and Payments

Accounting Method

- Income and Expenditure
 - 3 prior years income or expenditure over £200,000
 - Accruals, prepayments and adjustments
- Receipts and Payments
 - Cash basis
- If swapping between years the previous year must be restated.



Item	Description	Category	Date Purchased	Value B/forward	Additions	Disposals	Values C/forward	Scrap value	Notes
Cemetery 1920	Horncastle Road, MLF	Southern plot (2roods7poles)	16/03/1920	£44			£44.00		Loans obtained £60 20/4/1920 & 2/9/1919 £140.00
Cemetery 1891	Horncastle Road, MLF	Northern plot	18/05/1905	£1			£1.00		
Cemetery 1965	Horncastle Road, MLF	Extension	18/10/1965	141.25			£141.25		Conveyance
Chapel/ Shed at Cemetery	Horncastle Road, MLF	Property		£1			£1.00		Repaired 2020 £1,500?
War Memorial at Cemetery	Horncastle Road, MLF	Property	15/01/1922	£1			£1.00		Assumed public subscription gift
Bus Shelter	Field Side, MLF	Property	2000?	£4,297.71			£4,297.71		Value on insurance policy
Noticeboard	Fen Lane, MLF	Noticeboard	n/k	£1		£1	£0.00	£1	Noticeboard was rotten and scrapped.
Noticeboard	Station Road, MLF	Noticeboard	2019	£250			£250.00		Handmade in 2019 £250
Lenovo Ideapad 110	Laptop	Laptop	17/04/2017	£458.50			£458.50		
Epson 445	Printer	Printer	17/04/2017				£0.00		
Alcatel 3L	Mobile phone	Mobile phone	05/02/2022	119.99			£119.99		
Metal Bench	Revesby Corner	Bench	15/04/1995	£205.62			£205.62		Minutes 29/3/1995 account paid
Metal Bench	Watery Lane	Bench	1997	£262			£262.00		
Village Seat	Cemetery	Bench	1990?	£1			£1.00		

Asset Register – items usually held for more than a year

- Historic Cost (as at the date of purchase) net of VAT
- Refurbishments costs can be added
- 1+ year Bonds are an Asset
- No deminimus value
- Assets may need to be insured
- Gifts are valued at £1
- Restate previous year if you discover it missing or an error, for example, you find an asset held for X years or was not added on receipt in November X months ago.

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Village Seat	Cemetery	Bench	1990?	£1			£1.00		

Asset Register – items usually held for more than a year

- Items held as custodian can be on the register as ‘charity assets held by the authority as trustee’ but with no value JPAG Practitioners’ Guide para 5.120
- Insurance value can be held in another column but no effect on the asset register value.
- Depreciation is not applied to the asset register.

Annual Internal Audit Report 2023/24

ENTER NAME OF AUTHORITY

ENTER PUBLICLY AVAILABLE WEBSITE/WEBPAGE ADDRESS

During the financial year ended 31 March 2024, this authority's internal auditor acting independently and on the basis of an assessment of risk, carried out a selective assessment of compliance with the relevant procedures and controls in operation and obtained appropriate evidence from the authority.

The internal audit for 2023/24 has been carried out in accordance with this authority's needs and planned coverage. On the basis of the findings in the areas examined, the internal audit conclusions are summarised in this table. Set out below are the objectives of internal control and alongside are the internal audit conclusions on whether, in all significant respects, the control objectives were being achieved throughout the financial year to a standard adequate to meet the needs of this authority.

Internal control objective	Yes	No*	Not covered**
A. Appropriate accounting records have been properly kept throughout the financial year.			
B. This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.			
C. This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.			
D. The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.			
E. Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.			
F. Petty cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for.			
G. Salaries to employees and allowances to members were paid in accordance with this authority's approvals, and PAYE and NI requirements were properly applied.			
H. Asset and investments registers were complete and accurate and properly maintained.			
I. Periodic bank account reconciliations were properly carried out during the year.			
J. Accounting statements prepared during the year were prepared on the correct accounting basis (receipts and payments or income and expenditure), agreed to the cash book, supported by an adequate audit trail from underlying records and where appropriate debtors and creditors were properly recorded.			
K. If the authority certified itself as exempt from a limited assurance review in 2022/23, it met the exemption criteria and correctly declared itself exempt. (If the authority had a limited assurance review of its 2022/23 AGAR tick "not covered")			
L. The authority published the required information on a website/webpage up to date at the time of the internal audit in accordance with the relevant legislation.			
M. In the year covered by this AGAR, the authority correctly provided for a period for the exercise of public rights as required by the Accounts and Audit Regulations (during the 2023-24 AGAR period, were public rights in relation to the 2022-23 AGAR evidenced by a notice on the website and/or authority approved minutes confirming the dates set).			
N. The authority has complied with the publication requirements for 2022/23 AGAR (see AGAR Page 1 Guidance Notes).			
O. (For local councils only) Trust funds (including charitable) – The council met its responsibilities as a trustee.	Yes	No	Not applicable

For any other risk areas identified by this authority adequate controls existed (list any other risk areas on separate sheets if needed).

The AGAR Annual Internal Audit Report

- Summarises the findings of the internal audit.
- Considers the effectiveness of the council's procedures and internal controls eg calculation of the budget, maintenance of asset register, procurement processes
- Must be carried out at least annually
- Scope to be agreed by the council

Internal control objective	Yes	No*	Not covered**
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O. (For local councils only) Trust funds (including charitable) – The council met its responsibilities as a trustee.	Yes	No	Not applicable

Internal Auditor responsibilities

- Independence
- Competence
- Engagement letter and professional indemnity insurance
- Planning and oversight of the council's activities

Internal control objective	Yes	No*	Not covered**
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Trust funds (including charitable) – The council met its responsibilities as a trustee.			

Internal Auditor responsibilities

- Understanding basic book-keeping and accounting processes;
- understanding the role of internal audit in reviewing systems not management checks
- awareness of relevant principles and practice of financial and other risk management
- understanding proper practices in relation to governance and accounting requirements within the legal framework and powers of smaller authorities
- awareness of the most recent model Standing Orders and model Financial Regulations as published by NALC and how they are adopted by authorities
- awareness of the relevance of VAT and PAYE/NIC rules as applied to the authority

Section 1 – Annual Governance Statement 2023/24

We acknowledge as the members of:

ENTER NAME OF AUTHORITY

our responsibility for ensuring that there is a sound system of internal control, including arrangements for the preparation of the Accounting Statements. We confirm, to the best of our knowledge and belief, with respect to the Accounting Statements for the year ended 31 March 2024, that:

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

Annual Governance Statement

- Review of internal controls
- Tick 'Yes' or 'No' for each statement
- There must be evidence to support any 'Yes' statement
- 'No' statements should be accompanied by a sheet identifying the weakness and how it will be addressed.
- The response to items 2 and 6 come from the internal audit report.

Section 1 – Annual Governance Statement 2023/24

We acknowledge as the members of:

ENTER NAME OF AUTHORITY

our responsibility for ensuring that there is a sound system of internal control, including arrangements for the preparation of the Accounting Statements. We confirm, to the best of our knowledge and belief, with respect to the Accounting Statements for the year ended 31 March 2024, that:

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

Section 2 – Accounting Statements 2023/24 for

ENTER NAME OF AUTHORITY			
	Year ending		Notes and guidance
	31 March 2023 £	31 March 2024 £	
1. Balances brought forward			Total balances and reserves at the beginning of the year as recorded in the financial records. Value must agree to Box 7 of previous year.
2. (+) Precept or Rates and Levies			Total amount of precept (or for IDBs rates and levies) received or receivable in the year. Exclude any grants received.
3. (+) Total other receipts			Total income or receipts as recorded in the cashbook less the precept or rates/levies received (line 2). Include any grants received.
4. (-) Staff costs			Total expenditure or payments made to and on behalf of all employees. Include gross salaries and wages, employers NI contributions, employers pension contributions, gratuities and severance payments.
5. (-) Loan interest/capital repayments			Total expenditure or payments of capital and interest made during the year on the authority's borrowings (if any).
6. (-) All other payments			Total expenditure or payments as recorded in the cashbook less staff costs (line 4) and loan interest/capital repayments (line 5).
7. (=) Balances carried forward			Total balances and reserves at the end of the year. Must equal (1+2+3) - (4+5+6).
8. Total value of cash and short term investments			The sum of all current and deposit bank accounts, cash holdings and short term investments held as at 31 March – To agree with bank reconciliation.
9. Total fixed assets plus long term investments and assets			The value of all the property the authority owns – it is made up of all its fixed assets and long term investments as at 31 March.
10. Total borrowings			The outstanding capital balance as at 31 March of all loans from third parties (including PWLB).
For Local Councils Only	Yes	No	N/A
11a. Disclosure note re Trust funds (including charitable)			
11b. Disclosure note re Trust funds (including charitable)			

I certify that for the year ended 31 March 2024 the Accounting Statements in this Annual Governance and Accountability Return have been prepared on either a receipts and payments or income and expenditure basis following the guidance in Governance and Accountability for Smaller Authorities – a Practitioners' Guide to Proper Practices and present fairly the financial position of this authority.

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

SIGNATURE REQUIRED

Date: DD/MM/YYYY

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

DD/MM/YYYY

as recorded in minute reference:

MINUTE REFERENCE

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

SIGNATURE REQUIRED

Annual Accounting Statement

- Receipts and payments – take the figures from the cashbook
- Income and Expenditure
 - Exclude VAT (this will be either a creditor or debtor)
 - Add Adjustments – creditors and debtors
 - Consider materiality and regularity
 - Ensure last year's adjustments are reversed
 - Accruals and creditors increase expenditure
 - Prepayments decrease expenditure
 - Debtors increase income

Section 2 – Accounting Statements 2023/24 for

ENTER NAME OF AUTHORITY			
	Year ending		Notes and guidance
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For Local Councils Only	Yes	No	N/A
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11b. Disclosure note re Trust funds (including charitable)			<i>The figures in the accounting statements above exclude any Trust transactions.</i>

I certify that for the year ended 31 March 2024 the Accounting Statements in this Annual Governance and Accountability Return have been prepared on either a receipts and payments or income and expenditure basis following the guidance in Governance and Accountability for Smaller Authorities – a Practitioners' Guide to Proper Practices and present fairly the financial position of this authority.

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Date DD/MM/YYYY

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Annual Accounting Statement

- Box 1 – Balances brought forward
 - Ensure Box 7 is equal to previous year
- Box 2 Precept (for local councils) (do not include other grants awarded or claimed)
- Box 3 Total Other Receipts
 - All other receipts. Do not include any bank transfers / movements of money
 - Exclude VAT if working in Income and Expenditure

Section 2 – Accounting Statements 2023/24 for

ENTER NAME OF AUTHORITY				
	Year ending		Notes and guidance	
	31 March 2023 £	31 March 2024 £	Please round all figures to nearest £1. Do not leave any boxes blank and report ED or Nil balances. All figures must agree to underlying financial records.	
1. Balances brought forward			Total balances and reserves at the beginning of the year as recorded in the financial records. Value must agree to Box 7 of previous year.	
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Annual Accounting Statement

- Box 4 Staff Costs – refer to the precise guidance in Practitioner's Guide and the notes
 - gross salary of employees,
 - employer's national insurance contributions,
 - employers pension contributions,
 - gratuities for employees or former employees and
 - severance or termination payments to employees.

NOT: expenses, homeworking allowances, subs to SLCC, office supplies

Section 2 – Accounting Statements 2023/24 for

ENTER NAME OF AUTHORITY				
	Year ending			Notes and guidance
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For Local Councils Only	Yes	No	N/A	
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Signed by Responsible Financial Officer before being presented to the authority for approval		DD/MM/YYYY		
SIGNATURE REQUIRED		as recorded in minute reference:		
Date DD/MM/YYYY		MINUTE REFERENCE		
		Signed by Chair of the meeting where the Accounting Statements were approved		
		SIGNATURE REQUIRED		

Annual Accounting Statement

- Box 5 Loan Interest / Capital repayments
 - Record these separately from other payments
 - Not just the interest also including any capital repayments
 - I&E councils will need to include accrual for interest due to the end of the year.

Section 2 – Accounting Statements 2023/24 for

ENTER NAME OF AUTHORITY			
	Year ending		Notes and guidance
	31 March 2023 £	31 March 2024 £	
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For Local Councils Only	Yes	No	N/A
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11b. Disclosure note re Trust funds (including charitable)			

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Annual Accounting Statement

- Box 6 All other payments
 - All payments excluding those in Staff Costs and Loan interest/capital repayments
 - Do not include any bank transfers / capital movements.
 - Exclude VAT if working in I&E
- Box 7 Balances carried forward
 - Ensure this is equal to (Boxes 1+2+3) minus (Boxes 4+5+6)
- Box 8 Total value of cash and short term investments
 - Total cash position to equal bank rec
 - Will be the same as Box 7 if working in Receipts and Payments

Section 2 – Accounting Statements 2023/24 for

ENTER NAME OF AUTHORITY			
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For Local Councils Only	Yes	No	N/A	
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Date DD/MM/YYYY

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Annual Accounting Statement

- Box 9 Fixed Assets plus Long term Investments
 - Update for new assets/disposal
 - Ensure consistency in reporting of total (eg original purchase value or current value)
 - Ensure supporting Asset Register holds all relevant information
 - Ignore depreciation
- Box 10 Borrowings
 - Update figure to amount at Year End
 - Usually loans from PWLB/Treasury

Bank reconciliation – example

This reconciliation should include **all** bank and building society accounts, including short term investment accounts. It **must** agree to Box 8 in the column headed "Year ending 31 March 20xx" in Section 2 of the AGAR – and will also agree to Box 7 where the accounts are prepared on a receipts and payments basis

Name of smaller authority: **ABC Parish Council**

County area (local councils and parish meetings only): **ABC County**

Financial year ending 31 March 20xx

Prepared by (Name and Role): **Clerk/ RFO**

Date: **xx/xx/xx**

	£	£
Balance per bank statements as at 31/3/xx:		
e.g Current Account	1,000.00	
High Interest Account	3,000.00	
Building Society Premium Account	10,000.00	

14,000.00

Petty cash float (if applicable) 10.00

Less: any un-presented cheques as at 31/3/xx
(normally only current account)

Cheque number	154	(60.00)
	157	(18.00)
	158	(2.00)

(80.00)

Add: any un-banked cash as at 31/3/xx
e.g Allotment rents banked 30/3/xx (but not credited until 2 April)

50.00

50.00

Net balances as at 31/3/xx (Box 8) 13,980.00

Other documents to submit

- Bank Reconciliation
 - As at March 31st (to agree to Box 8)
- Reconciliation between Box 7 & 8
 - Summary of creditors and debtors

Explanation of variances – pro forma

Name of smaller authority: [Redacted]
 County area (see county and parish websites): [Redacted]

Insert figures from Section 2 of the AQAR in all Blue highlighted boxes

Next, please provide full explanations, including numerical values, for the following that will be flagged in the green boxes where relevant:

- * variances of more than 15% between totals for individual boxes (except variances of less than £200);
- * New from 2020/21 onwards: variances of £100,000 or more require explanation regardless of the % variation year on year;
- * a breakdown of approved reserves on the next tab if the total reserves (Box 7) figure is more than twice the annual precept/rates & levies value (Box 2).

	2021/22 £	2022/23 £	Variance £	Variance %	Explanation Required?	Automatic responses trigger below based on figures input. DO NOT OVERWRITE THESE BOXES	Explanation from smaller authority (must include narrative and supporting figures)
1 Balances Brought Forward	[Blue Box]	[Blue Box]				Explanation of % variance from PY opening balance not required - Balance brought forward agrees	
2 Precept or Rates and Levies	[Blue Box]	[Blue Box]	0	0.00%	NO		
3 Total Other Receipts	[Blue Box]	[Blue Box]	0	0.00%	NO		
4 Staff Costs	[Blue Box]	[Blue Box]	0	0.00%	NO		
5 Loan Interest/Capital Repayment	[Blue Box]	[Blue Box]	0	0.00%	NO		
6 All Other Payments	[Blue Box]	[Blue Box]	0	0.00%	NO		
7 Balances Carried Forward	0	0			NO	VARIANCE EXPLANATION NOT REQUIRED	
8 Total Cash and Short Term Investments	[Blue Box]	[Blue Box]				VARIANCE EXPLANATION NOT REQUIRED	
9 Total Fixed Assets plus Other Long Term Investments and	[Blue Box]	[Blue Box]	0	0.00%	NO		
10 Total Borrowings	[Blue Box]	[Blue Box]	0	0.00%	NO		

Rounding errors of up to £2 are tolerable

Variances of £200 or less are tolerable

Other documents to submit

- Explanation of Variances
 - For variances over 15% for boxes 2,3,4,5,6,9 and 10.
 - Vital that numerical explanations are given to support narrative, for example, stating that the Clerk has increased hours is not sufficient MUST give financial background – “From 1st October the Clerk worked an increased 10 hours a month at £13.50 an hour due to project work amounting to £810 extra on top of the 9% annual pay increase) which added another £180 to the previous year figure. “

Explanation for 'high' reserves

(Please complete the highlighted boxes.)

Box 7 is more than twice Box 2 because the authority held the following breakdown of reserves at the year end:

	£	£	£
Earmarked reserves:			
Reserve 1			
Reserve 2			
Reserve 3			
Reserve 4			
Reserve 5			
Reserve 6			
Reserve 7			
			0
General reserve			0
Total reserves (must agree to Box 7)			<u>0</u>

Other documents to submit

- Explanation of Reserves
 - Proforma provided by PKF Littlejohn
 - If Box 7 (Balance carried forward) is more than twice Box 2 (precept) then an explanation is required.
 - Identify the earmarked reserves held for specific projects.
 - Whatever is left is your General Reserve and this should usually be in the range of not less than 3 months and up to 12 months revenue (to help cover emergencies such as precept not being received or other income stopping for some reason eg lockdown, car park flooded, village hall burns down, emergency damage repair to an asset).

Section 2 – Accounting Statements 2023/24 for

ENTER NAME OF AUTHORITY			
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For Local Councils Only	Yes	No	N/A
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Signing the documents

- RFO must sign the Accounting Statement before the Council meet to approve.
- Agenda items at a meeting of the Full Council (It cannot be delegated to a committee).
 - a) To receive, consider and approve cash book income and expenditure 2024-25 statements and asset register for publication.
 - b) To receive the Annual Internal Audit Report and approve publication.
 - c) To receive, consider and approve the Annual Governance Statement 2024-25 and for the Chair and Clerk to sign.
 - d) To receive, consider and approve the bank reconciliation, variance analysis and the Annual Accounting Statement 2024-25 and for the Chair and RFO to sign
 - e) To approve the dates of electors' rights to be exercised Monday XX July – Friday XX August 2025.
 - f) To approve the Certificate of Exemption (if applicable) and publication of documents on the parish council's website to meet obligations specified in the Council's Publication scheme Transparency Code and Accounts and Audit Regulations 2015.

Section 2 – Accounting Statements 2023/24 for

ENTER NAME OF AUTHORITY				
	Year ending		Notes and guidance	
	31 March 2023 £	31 March 2024 £		
1. Balances brought forward			Total balances and reserves at the beginning of the year as recorded in the financial records. Value must agree to Box 7 of previous year.	
2. (+) Precept or Rates and Levies			Total amount of precept (or for IDBs rates and levies) received or receivable in the year. Exclude any grants received.	
3. (+) Total other receipts			Total income or receipts as recorded in the cashbook less the precept or rates/levies received (line 2). Include any grants received.	
4. (-) Staff costs			Total expenditure or payments made to and on behalf of all employees. Include gross salaries and wages, employers NI contributions, employers pension contributions, gratuities and severance payments.	
5. (-) Loan interest/capital repayments			Total expenditure or payments of capital and interest made during the year on the authority's borrowings (if any).	
6. (-) All other payments			Total expenditure or payments as recorded in the cashbook less staff costs (line 4) and loan interest/capital repayments (line 5).	
7. (=) Balances carried forward			Total balances and reserves at the end of the year. Must equal (1+2+3) - (4+5+6).	
8. Total value of cash and short term investments			The sum of all current and deposit bank accounts, cash holdings and short term investments held as at 31 March – To agree with bank reconciliation.	
9. Total fixed assets plus long term investments and assets			The value of all the property the authority owns – it is made up of all its fixed assets and long term investments as at 31 March.	
10. Total borrowings			The outstanding capital balance as at 31 March of all loans from third parties (including PWLB).	
For Local Councils Only	Yes	No	N/A	
11a. Disclosure note re Trust funds (including charitable)				The Council, as a body corporate, acts as sole trustee and is responsible for managing Trust funds or assets.
11b. Disclosure note re Trust funds (including charitable)				The figures in the accounting statements above exclude any Trust transactions.
<p>I certify that for the year ended 31 March 2024 the Accounting Statements in this Annual Governance and Accountability Return have been prepared on either a receipts and payments or income and expenditure basis following the guidance in Governance and Accountability for Smaller Authorities – a Practitioners' Guide to Proper Practices and present fairly the financial position of this authority.</p> <p>Signed by Responsible Financial Officer before being presented to the authority for approval</p> <p>SIGNATURE REQUIRED</p> <p>Date DD/MM/YYYY</p>				
<p>I confirm that these Accounting Statements were approved by this authority on this date:</p> <p>DD/MM/YYYY</p> <p>as recorded in minute reference:</p> <p>MINUTE REFERENCE</p> <p>Signed by Chair of the meeting where the Accounting Statements were approved.</p> <p>SIGNATURE REQUIRED</p>				

- **Signing the Documents**
- If 'exempt' from External Audit the RFO and Chair sign the Certificate and that is sent to PKF Littlejohn
- If not 'exempt' from External Audit the following documents are sent to PKF Littlejohn
 - The AGAR
 - Explanation of Variances
 - Bank Reconciliation as at 31st March
 - Details of the Exercise of Public Rights
 - Any other information specifically requested.

Certificate of Exemption – AGAR 2023/24 Form 2

To be completed by smaller authorities where the higher of gross income or gross expenditure did not exceed £25,000 in the year of account ended 31 March 2024, and that wish to certify themselves as exempt from a limited assurance review under Section 9 of the Local Audit (Smaller Authorities) Regulations 2015

There is no requirement to have a limited assurance review or to submit an Annual Governance and Accountability Return to the external auditor, **provided** that the authority has certified itself as exempt at a meeting of the authority after 31 March 2024 and a completed Certificate of Exemption is submitted no later than **30 June 2024** notifying the external auditor.

ENTER NAME OF AUTHORITY

certifies that during the financial year 2023/24, the higher of the authority's total gross income for the year or total gross annual expenditure, for the year did not exceed **£25,000**

Total annual gross income for the authority 2023/24:

ENTER AMOUNT £00,000

Total annual gross expenditure for the authority 2023/24:

ENTER AMOUNT £00,000

There are certain circumstances in which an authority will be **unable to certify itself as exempt**, so that a limited assurance review will still be required. If an authority is **unable to confirm the statements below then it cannot certify itself as exempt** and it **must** submit the completed Annual Governance and Accountability Return Form 3 to the external auditor to undertake a limited assurance review for which a fee of **£210 +VAT** will be payable.

By signing this **Certificate of Exemption** you are confirming that:

- The authority was in existence on 1st April 2020
- In relation to the preceding financial year (2022/23), the external auditor **has not**:
 - issued a public interest report in respect of the authority or any entity connected with it
 - made a statutory recommendation to the authority, relating to the authority or any entity connected with it
 - issued an advisory notice under paragraph 1(1) of Schedule 8 to the Local Audit and Accountability Act 2014 ("the Act"), and has not withdrawn the notice
 - commenced judicial review proceedings under section 31(1) of the Act
 - made an application under section 28(1) of the Act for a declaration that an item of account is unlawful, and the application has not been withdrawn nor has the court refused to make the declaration
- The court has not declared an item of account unlawful after a person made an appeal under section 28(3) of the Act.

If the above statements apply and the authority neither received gross income, nor incurred gross expenditure, exceeding £25,000, then the Certificate of Exemption can be signed and a copy submitted to the external auditor **either** by email **or** by post (not both).

The Annual Internal Audit Report, Annual Governance Statement, Accounting Statements, an analysis of variances and the bank reconciliation plus the information required by Regulation 15 (2), Accounts and Audit Regulations 2015 including the period for the exercise of public rights still need to be fully completed and, along with a copy of this certificate, published on the authority website/webpage* before 1 July 2024.

Signing this certificate confirms the authority will comply with the publication requirements.

Signed by the Responsible Financial Officer	Date	I confirm that this Certificate of Exemption was approved by this authority on this date:	DD/MM/YYYY
SIGNATURE REQUIRED	DD/MM/YYYY		DD/MM/YYYY
Signed by Chair	Date	as recorded in minute reference:	MINUTE REFERENCE
SIGNATURE REQUIRED	DD/MM/YYYY		
Generic email address of Authority	Telephone number		
ENTER AUTHORITY OWNED GENERIC EMAIL ADDRESS	TELEPHONE NUMBER		
*Published web address			
ENTER PUBLICLY AVAILABLE WEBSITE/WEBPAGE ADDRESS			

ONLY this Certificate of Exemption should be returned EITHER by email OR by post (not both) as soon as possible after certification to your external auditor, but no later than 30 June 2024. Reminder letters for late submission will incur a charge of £40 + VAT.

- Publishing the documents
- If Exempt: -
 - The Annual Internal Auditor's statement
 - The Annual Governance Statement
 - The Accounting Statement
 - An Analysis of Variances
 - Bank reconciliation as at 31st March
 - Copy of the Certificate of Exemption
 - Arrangements for the exercise of public rights
 - The name and address of PKF Littlejohn

Smaller authority name: _____

**NOTICE OF PUBLIC RIGHTS AND PUBLICATION
OF UNAUDITED ANNUAL GOVERNANCE &
ACCOUNTABILITY RETURN
ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2024**

**Local Audit and Accountability Act 2014 Sections 26 and 27
The Accounts and Audit Regulations 2015 (SI 2015/234)**

NOTICE	NOTES
<p>1. Date of announcement _____ (a)</p> <p>2. Each year the smaller authority's Annual Governance and Accountability Return (AGAR) needs to be reviewed by an external auditor appointed by Smaller Authorities' Audit Appointments Ltd. The unaudited AGAR has been published with this notice. As it has yet to be reviewed by the appointed auditor, it is subject to change as a result of that review.</p> <p>Any person interested has the right to inspect and make copies of the accounting records for the financial year to which the audit relates and all books, deeds, contracts, bills, vouchers, receipts and other documents relating to those records must be made available for inspection by any person interested. For the year ended 31 March 2024, these documents will be available on reasonable notice by application to:</p> <p>(b) _____ _____ _____</p> <p>commencing on (c) <u>Monday 3 June 2024</u> _____</p> <p>and ending on (d) <u>Friday 12 July 2024</u> _____</p> <p>3. Local government electors and their representatives also have:</p> <ul style="list-style-type: none">• The opportunity to question the appointed auditor about the accounting records; and• The right to make an objection which concerns a matter in respect of which the appointed auditor could either make a public interest report or apply to the court for a declaration that an item of account is unlawful. Written notice of an objection must first be given to the auditor and a copy sent to the smaller authority. <p>The appointed auditor can be contacted at the address in paragraph 4 below for this purpose between the above dates only.</p> <p>4. The smaller authority's AGAR is subject to review by the appointed auditor under the provisions of the Local Audit and Accountability Act 2014, the Accounts and Audit Regulations 2015 and the NAO's Code of Audit Practice 2015. The appointed auditor is:</p> <p>PKF Littlejohn LLP (Ref: SBA Team) 15 Westferry Circus Canary Wharf London E14 4HD (sba@pkf-l.com)</p> <p>5. This announcement is made by (e) _____</p>	<p>(a) Insert date of placing of the notice which must be not less than 1 day before the date in (c) below</p> <p>(b) Insert name, position and address/telephone number/ email address, as appropriate, of the Clerk or other person to which any person may apply to inspect the accounts</p> <p>(c) Insert date, which must be at least 1 day after the date of announcement in (a) above and at least 30 working days before the date appointed in (d) below</p> <p>(d) The inspection period between (c) and (d) must be 30 working days inclusive and must include the first 10 working days of July.</p> <p>(e) Insert name and position of person placing the notice – this person must be the responsible financial officer for the smaller authority</p>

- Publishing the documents
- If NOT Exempt from External Audit: -
 - The Annual Internal Auditor's statement
 - The Annual Governance Statement
 - The Accounting Statements
 - Declaration of accounts are as yet unaudited
 - Arrangements for the exercise of public rights
 - The name and address of PKF Littlejohn

Smaller authority name: _____

**NOTICE OF PUBLIC RIGHTS AND PUBLICATION
OF UNAUDITED ANNUAL GOVERNANCE &
ACCOUNTABILITY RETURN
ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2024**

**Local Audit and Accountability Act 2014 Sections 26 and 27
The Accounts and Audit Regulations 2015 (SI 2015/234)**

NOTICE	NOTES
<p>1. Date of announcement _____ (a)</p> <p>2. Each year the smaller authority's Annual Governance and Accountability Return (AGAR) needs to be reviewed by an external auditor appointed by Smaller Authorities' Audit Appointments Ltd. The unaudited AGAR has been published with this notice. As it has yet to be reviewed by the appointed auditor, it is subject to change as a result of that review.</p> <p>Any person interested has the right to inspect and make copies of the accounting records for the financial year to which the audit relates and all books, deeds, contracts, bills, vouchers, receipts and other documents relating to those records must be made available for inspection by any person interested. For the year ended 31 March 2024, these documents will be available on reasonable notice by application to:</p> <p>(b) _____ _____ _____</p> <p>commencing on (c) <u>Monday 3 June 2024</u> _____</p> <p>and ending on (d) <u>Friday 12 July 2024</u> _____</p> <p>3. Local government electors and their representatives also have:</p> <ul style="list-style-type: none">• The opportunity to question the appointed auditor about the accounting records; and• The right to make an objection which concerns a matter in respect of which the appointed auditor could either make a public interest report or apply to the court for a declaration that an item of account is unlawful. Written notice of an objection must first be given to the auditor and a copy sent to the smaller authority. <p>The appointed auditor can be contacted at the address in paragraph 4 below for this purpose between the above dates only.</p> <p>4. The smaller authority's AGAR is subject to review by the appointed auditor under the provisions of the Local Audit and Accountability Act 2014, the Accounts and Audit Regulations 2015 and the NAO's Code of Audit Practice 2015. The appointed auditor is:</p> <p>PKF Littlejohn LLP (Ref: SBA Team) 15 Westferry Circus Canary Wharf London E14 4HD (sba@pkf-l.com)</p> <p>5. This announcement is made by (e) _____</p>	<p>(a) Insert date of placing of the notice which must be not less than 1 day before the date in (c) below</p> <p>(b) Insert name, position and address/telephone number/ email address, as appropriate, of the Clerk or other person to which any person may apply to inspect the accounts</p> <p>(c) Insert date, which must be at least 1 day after the date of announcement in (a) above and at least 30 working days before the date appointed in (d) below</p> <p>(d) The inspection period between (c) and (d) must be 30 working days inclusive and must include the first 10 working days of July.</p> <p>(e) Insert name and position of person placing the notice – this person must be the responsible financial officer for the smaller authority</p>

- Publishing the documents
- If NOT Exempt from External Audit: -
 - The Annual Internal Auditor's statement
 - The Annual Governance Statement
 - The Accounting Statements
 - Declaration of accounts are as yet unaudited
 - Arrangements for the exercise of public rights
 - The name and address of PKF Littlejohn

Section 3 – External Auditor's Report and Certificate 2023/24

In respect of

ENTER NAME OF AUTHORITY

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's 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 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. (*delete as appropriate).

(continue on a separate sheet if required)

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

(continue on a separate sheet if required)

3 External auditor certificate 2023/24

We certify/do not 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.

*We do not certify completion because:

External Auditor Name

ENTER NAME OF EXTERNAL AUDITOR

External Auditor Signature

SIGNATURE REQUIRED

Date

DD/MM/YYYY

- Publishing the documents
- After the External Audit (for councils that are not 'exempt') : -
 - Notice of the conclusion of audit
 - Annual Governance Statement and the Accounting Statements including any amendments
 - External Auditor's limited assurance Opinion and Certificate
 - The external auditor's review should be completed by 30 September and the Opinion and Certificate back with the council.
 - The law does not state how long these documents should be published for but a month seems reasonable.

Further Training and Guidance



- LALC website - www.lalc.co.uk
- Councillor's Workshop
- Chair & Clerk
- Clerk's Workshop
- Council Powers & Procedures
- CiLCA training
- LALC Networking Days
- LCC website management
- Play Areas
- Employment Law
- Data Protection & FOI
- First Aid
- VAT / Council Finance/ HMRC
- ICCM Cemetery Management/ Burials
- Charity Law
- Allotments
- Health & Safety/ Fire safety
- IT Skills
- Check LALC Enews and the LALC monthly Training Bulletin for what other training is on offer.

Any Questions?

