

– JOINT PANEL ON –
ACCOUNTABILITY & GOVERNANCE

PRACTITIONERS' GUIDE: SCHEDULE OF AMENDMENTS FOR 2018/19

All Sections

References throughout to the “Joint Panel on Accounting Guidance” have been changed to the “Joint Panel on Accountability and Governance”.

References throughout to the “Department of Communities and Local Government” have been changed to the “Ministry of Housing, Communities and Local Government”.

References throughout to the “Annual Return” have been changed to the “Annual Governance and Accountability Return” (AGAR).

References in the Foreword section to “2017/18” and “2016/17” have been changed to “2018/19” and “2017/18”.

Foreword

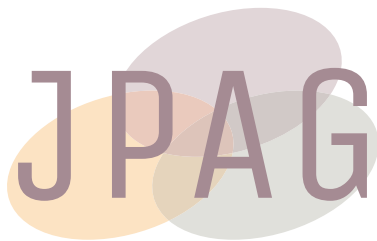
Additional text has been inserted in the Foreword section at the end of the 3rd paragraph: “For the purposes of the Practitioners’ Guide this will include local councils (parish and town councils), parish meetings, internal drainage boards and ‘other’ smaller authorities (including charter trustees, conservation bodies, port health authorities, harbour boards and crematorium boards)”.

Reference to being able to “voluntarily” apply the Guide to the AGAR for the previous financial year has been changed to clarify that this Guide can be applied to the AGAR for the previous financial year because there are no changes to the guidance, simply clarification of proper practice.

Additional text has also been inserted after the 3rd paragraph that explains the new 3 part Annual Governance and Accountability Return (AGAR):

“Smaller authorities with no financial transactions meet their responsibility to produce accounts by completing Part 1 of the Annual Governance and Accountability Return.”

“Smaller authorities where the higher of gross income or gross expenditure was £25,000 or less, that meet the eligibility criteria set out in Regulation 9(3) of the Local Audit (Smaller Authorities) Regulations 2015, and that wish to certify themselves as exempt from a limited assurance review should complete Part 2 of the Annual Governance and Accountability Return.”



– JOINT PANEL ON –
ACCOUNTABILITY & GOVERNANCE

PRACTITIONERS' GUIDE: SCHEDULE OF AMENDMENTS FOR 2018/19

“All remaining smaller authorities should complete Part 3 of the Annual Governance and Accountability Return.”

Additional text has been inserted after the 4th paragraph that explains the way proper practices apply to parish meetings:

“Although a parish meeting is a relevant authority, there are some circumstances where legislative requirements differ. As a result, JPAG has agreed the way in which proper practices set out in this Practitioners' Guide apply differently to parish meetings:

- a) It will be acceptable for the Chair of a parish meeting to sign the Annual Governance and Accountability Return and exemption certificate where appropriate in the spaces provided for Chair, Clerk and Responsible Financial Officer.
- b) It will be acceptable for trust fund declarations to be left blank because parish meetings cannot act as sole managing trustees.
- c) It will be acceptable for parish meetings with no website to publish their notices on a noticeboard for a period of 14 days, as required by s2(5)(b)(ii) of the Accounts and Audit Regulations 2015, in relation to public rights and exemption from a limited assurance review.”

Section 1: The Annual Governance Statement

Section 1.11 has been amended to reflect the reduced threshold for investments and the requirement to follow the MHCLG Statutory Guidance.

Section 2: Introduction

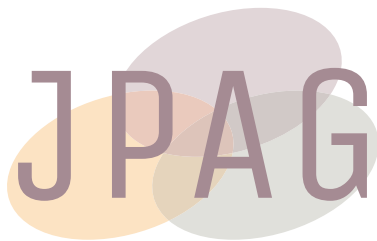
Section 2.2 has been amended to include the following additional sentence:

2.2. Smaller authorities with no financial transactions meet their responsibility to produce accounts by completing Part 1 of the Annual Governance and Accountability Return.

Section 2: The Statement of Accounts

Three new sections have been added (2.14A, 2.14B and 2.36A):

2.14A. ‘Total other receipts’ for the year should include the Community Infrastructure Levy passed to a local council under Regulation 59A of the Community Infrastructure Regulations 2010 and received by the authority, in the year in which it is received by the authority.



— JOINT PANEL ON —
ACCOUNTABILITY & GOVERNANCE

PRACTITIONERS' GUIDE: SCHEDULE OF AMENDMENTS FOR 2018/19

2.14B. 'Total other receipts' for the year should include all grants received by the authority, in the year in which they are received by the authority.

2.36A. Where an authority meets the criteria and wishes to certify itself exempt from a limited assurance review, it needs to submit a copy of the exemption certificate to the external auditor.

Section 2.33 has been amended as follows:

2.33. There is no provision in the Annual Governance and Accountability Return (AGAR) for additional notes to explain and expand on the figures shown in the accounting statements. To address this, authorities need to provide the following accompanying information to the external auditor, "where Part 3 of the AGAR is subject to review by the external auditor:"...

Section 5: Supporting Information and Practical Examples

A new section 5.80A has been added:

5.80A. Where amendments are made by the authority to the Annual Governance and Accountability Return (AGAR) after it has been approved by the authority and before it has been reviewed by the external auditor, it is recommended that the Chair and Responsible Financial Officer initial the amendments and if necessary republish the amended AGAR and recommence the period for the exercise of public rights to inspect the accounts.

A new section 5.80B has been added:

5.80B. Where amendments are made by the authority to the Annual Governance and Accountability Return (AGAR) on the recommendation of the external auditor, after the AGAR has been approved by the authority, it is recommended that the amended version is published along with the external auditor's report. In this case, the authority will not need to recommence the period for the exercise of public rights.

Section 5.82 has been amended to refer to the correct dates for 2017/18.

The bullet point labelled "Deferred Grant" in 5.127 has been removed.

A new section 5.138A has been added:



– JOINT PANEL ON –
ACCOUNTABILITY & GOVERNANCE

PRACTITIONERS' GUIDE: SCHEDULE OF AMENDMENTS FOR 2018/19

5.138A. Proper practices in respect of any Community Infrastructure Levy ('CIL') passed to a local council under Regulation 59A of the Community Infrastructure Levy Regulations 2010 and accounting for grants are set out in paragraphs 2.14A and 2.14B respectively. Regulation 62A of the 2010 Regulations sets out special reporting requirements (separate from the Annual Governance and Accountability Return) in respect of CIL receipts and expenditure. In addition the principal authority may (but need not) recover CIL not spent by the local council within five years of receipt. Local councils should therefore keep records of the date and amount of CIL receipts and account for expenditure on a 'first in, first out' basis. CIL and any grants received that are unspent at the year-end should be taken to an earmarked reserve.

A new section 5.156A has been added:

5.156A. Where an authority meets the criteria and wishes to certify itself exempt from a limited assurance review, it needs to submit a copy of the exemption certificate to the external auditor.

Section 5.156 has been amended as follows:

Authorities are required to provide to the external auditor certain supporting documentation for the accounting statements in section 2 of the Annual Governance and Accountability Return (AGAR), "where Part 3 of the AGAR is subject to review by the external auditor".

P J CAMAMILE
JPAG CHAIR

20 MARCH 2018