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29 October 2019

Dear Members

Orchard Park Community Council

Statutory recommendation: Failure to submit an Annual Governance & Accountability Return (AGAR) for the year ending 31 March 2019

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.

Orchard Park Community Council is required by law:

- to prepare Accounting Statements for the year ended 31 March 2019 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 September 2019.

We are the appointed auditors to Orchard Park Community Council (the smaller authority) and have made several unsuccessful attempts to obtain the approved AGAR and associated documentation so that the review process may commence.

Members of Orchard Park Community Council should be aware that 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.

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).

It is possible that the smaller authority has certified itself exempt from a limited assurance review for 2018/19, but has failed to inform us of this. To be exempt from review, the Local Audit (Smaller Authorities) Regulations 2015 require the smaller authority to certify itself exempt, but also to notify 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 any notification 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 2019.

As a result of the smaller authority's failure to submit an AGAR for the year ended 31 March 2019, we are issuing the following statutory recommendation under Schedule 7 of the Act:

- **The smaller authority should submit the completed Annual Governance & Accountability Return for the year ended 31 March 2019 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 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.

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

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.

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 2019/20 (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.

This letter gives rise to an additional fee of £800.00 plus VAT payable by Orchard Park Community 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.

Yours faithfully



PKF Littlejohn LLP

cc Clerk - Orchard Park Community Council, Secretary of State, National Audit Office, Smaller Authorities' Audit Appointments Ltd, Monitoring Officer of local authority (local councils only)