

## Annual Governance and Accountability Return 2020/21 Part 3

**To be completed by Local Councils, Internal Drainage Boards and other 'Smaller Authorities':**

- where the higher of gross income or gross expenditure exceeded £25,000 but did not exceed £5.5 million; or
- where the higher of gross income or gross expenditure was £25,000 or less but that:
  - you are unable to certify yourselves as exempt (see payable); or
  - have requested a limited assurance review (see payable)

### Guidance notes on completing Part 3 of the Annual Governance and Accountability Return 2020/21

1. Every smaller authority in England that either received gross income or incurred gross expenditure exceeding £25,000 must complete Part 3 of the Annual Governance and Accountability Return at the end of each financial year in accordance with Paper Practices.
2. The Annual Governance and Accountability Return is made up of three parts, pages 3 to 5:
  - The Annual Internal Audit Report must be completed by the authority's internal auditor
  - Sections 1 and 2 must be completed and approved by the authority
  - Section 3 is completed by the external auditor and will be returned to the authority
3. The authority must approve Section 1, Annual Governance Statement, before approving Section 2, Accounting Statements, and both must be approved and published on the authority website/homepage before 1 July 2021.
4. An authority with either gross income or gross expenditure exceeding £25,000 or an authority with neither income nor expenditure exceeding £25,000, but which is unable to certify itself as exempt, or is requesting a limited assurance review, must return to the external auditor by email or post (not web) no later than 30 June 2021. Remainder letters will incur a charge of £40 +VAT:
  - the Annual Governance and Accountability Return Sections 1 and 2, together with
  - a bank reconciliation as at 31 March 2021
  - an explanation of any significant year on year variances in the accounting statements
  - notification of the commencement date of the period for the exercise of public rights
  - Annual Internal Audit Report 2020/21

Unless requested, do not send any additional documents to your external auditor. Your external auditor will ask for any additional documents needed.

Once the external auditor has completed the limited assurance review and is able to give an opinion, the Annual Governance and Accountability Section 1, Section 2 and Section 3 - External Auditor Report and Certificate will be returned to the authority by email or post.

### Publication Requirements

Under the Accounts and Audit Regulations 2015, authorities must publish the following information on the authority website/homepage:

Before 1 July 2021 authorities must publish:

- Section 1 of the period for the exercise of public rights and a declaration that the accounting statements are an *audited* statement;
- Section 1 - Annual Governance Statement 2020/21, approved and signed, page 4
- Section 2 - Accounting Statements 2020/21, approved and signed, page 5

Not later than 30 September 2021 authorities must publish:

- Section 3 of conclusion of audit
- Section 3 - External Auditor Report and Certificate
- Sections 1 and 2 of AGAR including any amendments as a result of the limited assurance review

It is recommended as best practice, to avoid any potential confusion by local electors and interested parties, that you also publish the Annual Internal Audit Report, page 3.

The Annual Governance and Accountability Return provides the only a return related to the Accounts and Audit Regulations 2015. It is prepared by the internal auditor, with the external auditor, at the end of each financial year in accordance with the Accounts and Audit Regulations 2015.

For complete list of entities that may be smaller authorities refer to schedule 1 of the Local Audit and Accountability Act 2014.