

KINOULTON PARISH COUNCIL

AGENDA ITEM NO: 10

AGENDA ITEM: ANNUAL GOVERNANCE & ACCOUNTABILITY RETURN (AGAR) 2021/22 Part 2 - CERTIFICATE OF EXEMPTION

PURPOSE OF THE REPORT: To approval the Parish Council's Certificate of Exemption 2021/22.

IMPLICATIONS (in relation to duties on the Parish Council)

- **Crime & Disorder**¹ – No implications arising from the Report have been identified.
- **Biodiversity**² - No implications arising from the Report have been identified.

By: Neil Oxby Treasurer & Responsible Finance Officer.

Date of Meeting: 17th May 2022

The Local Audit and Accountability Act 2014 and the Accounts and Audit Regulations 2015 require all authorities to prepare a statement of accounts for each financial year in accordance with proper practices.

AGAR Certificate of Exemption

Exempt authorities must meet a number of specified criteria and provided those criteria are satisfied, they only need submit a copy of their exemption certificate to the auditor, PKF Littlejohn LLP. The exemption criteria are met if the smaller authority can declare that it has:

- Total gross income and total gross expenditure below £25,000 and
- no public interest report/statutory recommendation/advisory notice/judicial review/application to court re unlawful item of account issued by its external auditor in the prior year; and
- been in existence since before 1st April 2014.

The Parish Council meets all three aspects, as such there is no requirement to have a limited assurance review or to submit an Annual Governance and Accountability Return to the external auditor. However, a Certificate of Exemption must be sent to the appointed auditor otherwise they will presume the authority does not meet the qualifying criteria and is not exempt.

1 Section 17 Crime and Disorder Act 1998 requires parish councils to consider the impact of all their functions and decisions on crime and disorder in their local area.

2 Section 40 Natural Environment & Rural Communities Act 2006 requires local authorities to have regard to the conservation of biodiversity in exercising their functions. Biodiversity includes species of plants and animals and the ecosystems of which they are part.

The submission deadline for the receipt by the External Auditor of the Certificate of Exemption is Friday 31 July 2022.

Recommendations

It is recommended that the Council authorises:

- a) the Chairman of the meeting and Treasurer as Responsible Finance Officer to sign the Certificate of Exemption –AGAR 2021/22 Part 2 set out in Appendix 1.
- b) The Treasurer to forward to signed Certificate of Exemption to the Auditor.

Appendix 1

Certificate of Exemption – AGAR 2021/22 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 2022, 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 2022 and a completed Certificate of Exemption is submitted no later than 30 June 2022 notifying the external auditor.

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certifies that during the financial year 2021/22, 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 2021/22:

£6,658

AMOUNT £00,000

Total annual gross expenditure for the authority 2021/22:

£12,060

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 £200 +VAT will be payable.

By signing this Certificate of Exemption you are confirming that:

- The authority was in existence on 1st April 2018
- In relation to the preceding financial year (2020/21), 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 you are able to confirm that the above statements apply and that 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 2022.

By signing this certificate you are also confirming that you are aware of this requirement.

Signed by the Responsible Financial Officer

Date

SIGNATURE REQUIRED

DDMMYYYY

I confirm that this Certificate of Exemption was approved by this authority on this date:

DDMMYYYY

Signed by Chairman

Date

SIGNATURE REQUIRED

DDMMYYYY

as recorded in minute reference:

MINUTE REFERENCE

Generic email address of Authority

ENTER AUTHORITY OWNED GENERIC EMAIL ADDRESS

Telephone number

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 2022. Reminder letters incur a charge of £40 +VAT