



**Report on the
results of auditors'
work 2017/18**

Smaller Authorities



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Report on the results of auditors' work 2017-18

Introduction

This is the first report on the results of auditors' work issued by SAAA and summarises the results of auditors' work for 2017-18 at smaller authorities (local government bodies with annual turnover below £6.5 million).

These authorities comprise 9,639 'local councils' (town councils, parish councils, community councils, neighbourhood councils, and parish meetings (in parishes where there is no parish council)), 113 internal drainage boards (IDBs) and 32 other smaller authorities (such as Charter Trustees, Port Authorities, Conservators etc.) – 9,784 in total.

Background

Smaller authorities

Local councils are the first tier of local government and are statutory bodies. They are independently elected bodies that represent their communities and provide or contribute to a range of services – for example, parks and open spaces, cemeteries, allotments and village halls. They serve about 15 million people in England and spend over £500 million of public money each year.

This expenditure is funded mainly through an annual charge, known as a precept, set by the local council and collected on its behalf as part of council tax.

An Internal Drainage Board (IDB) is a public body that manages water levels in an area, known as an internal drainage district, where there is a special need for drainage. IDBs undertake works to reduce flood risk to people and property and manage water levels for agricultural and environmental needs within their district.

There are 113 IDBs in England whose districts cover 1.2 million hectares (9.7% of England's landmass). They play a key role in reducing flood risk to over 600,000 people and nearly 900,000 properties. They operate and maintain over 500 pumping stations, 22,000 km of watercourse, 175 automatic weed screen cleaners and numerous sluices and weirs.

They spend around £70 million of public money each year. This expenditure is funded mainly through drainage rates on land occupiers and special levies on the local authorities in each drainage area.

The Local Audit and Accountability Act 2014

The Local Audit and Accountability Act 2014 established new arrangements for the accountability and audit of local public bodies in England. The legislation states that for the financial year starting on 1 April 2017, all smaller authorities (authorities where the higher of gross annual income or expenditure does not exceed £6.5 million) must appoint their own external auditor.

It was acknowledged that having approximately 10,000 authorities establishing correct procedures and appointing their own auditors for the first time would generate significant practical challenges.

Smaller Authorities' Audit Appointments Ltd (SAAA)

SAAA was established as the sector led company to assist smaller authorities to procure and appoint an external auditor. It was formed by the national sector membership organisations, the National Association of Local Councils, Society of Local Council Clerks and Association of Drainage Authorities.

The Secretary of State at the then Department of Communities and Local Government (now Ministry of Housing, Communities and Local Government) appointed SAAA as the 'specified person' to procure and appoint external auditors to smaller authorities, and set audit fees for smaller authorities in compliance with the Local Audit and Accountability Act 2014, the Accounts and Audit Regulations 2015, and the Local Audit (Smaller Authority) Regulations 2015.

SAAA undertook a comprehensive and robust procurement tender exercise in 2016. This resulted in the appointment of external auditors in a cost-effective way and has resulted in significant financial savings for the smaller authority sector.

Three firms of external auditors were appointed to undertake the smaller authorities work – PKF Littlejohn, Mazars, and Moore Stephens.

Responsibilities of smaller authorities

Smaller authorities were required to prepare their 2017-18 accounting statements in accordance with statutory requirements and timetables, as set out in the Accounts and Audit Regulations 2015. They were also required to ensure the statements were prepared in accordance with "Proper Practices" as set out in "*Governance and Accountability for Smaller Authorities in England - A Practitioners' Guide to Proper Practices*" approved by the Joint Panel on Accountability and Governance (JPAG) and published jointly by the National Association of Local Councils, the Society of Local Council Clerks and the Association of Drainage Authorities.

Smaller authorities complete their accounting statements in the form of an Annual Governance and Accountability Return (AGAR). The AGAR includes the:

- annual internal audit report;
- annual governance statement (AGS);
- accounting statements; and
- external auditor report and certificate (where required).

Smaller authorities were required to publish their AGAR by 30 September 2018 on a freely accessible public website.

'Exempt' smaller authorities

The Local Audit and Accountability Act 2014 and Local Audit (Smaller Authorities) Regulations 2015 introduced a new category of authorities who are able to declare themselves exempt from a limited assurance review by the external auditor.

The main exemption criterion is where the higher of gross income or gross expenditure for the authority in 2017-18 was £25,000 or less.

The full qualifying criteria for an authority to declare itself as exempt are as set out in legislation in Regulation 9 of the Local Audit (Smaller Authorities) Regulations 2015, namely:

- The authority certifies that during the financial year, the higher of the authority's gross income for the year or gross annual expenditure for the year did not exceed £25,000;

- The financial year is not one of the first three years of the authority's existence;
- In relation to the preceding financial year, 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 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 authority can confirm that the above statements apply and that the authority neither received gross income nor incurred gross expenditure exceeding £25,000, then the authority can declare itself exempt at a full meeting of the authority after the end of the financial year. The authority must then notify its appointed external auditor by completing and signing a Certificate of Exemption and returning it to the appointed external auditor by 30 June.

Authorities that meet the exemption criteria can still opt for a limited assurance review by their external auditor for a fee if they so choose.

Responsibilities of auditors

For 2017-18, auditors were required to undertake their work at smaller authorities under the Local Audit and Accountability Act 2014 and the National Audit Office (NAO) Code of Audit Practice.

Chapter 6 of the NAO Code specifically relates to smaller authority assurance engagements and sets out the work required in relation to these engagements. To support auditors in meeting their requirements under the Act and the Code of Audit Practice, the NAO also publishes detailed guidance in its Auditor Guidance Note (AGN) 02 'Specified Procedures for Assurance Engagements at Smaller Authorities', guidance to which auditors must have regard.

A smaller authority limited assurance review is not an audit in accordance with professional auditing standards, but a limited assurance review which provides a level of assurance proportionate to the amounts of public money managed by smaller authorities. Auditors give a limited assurance opinion and certify completion of their work. Auditors issue an unqualified opinion where they consider the annual return meets the specified requirements.

Where authorities fail to comply with the specified requirements or certain matters come to the auditor's attention, under schedule 7 of the Local Audit and Accountability Act 2014 auditors are required to consider whether they should exercise any of their additional reporting powers and issue a written statutory recommendation or a public interest report. Authorities subject to these additional powers cannot then declare themselves as exempt in the following year of account, but must submit an AGAR to the external auditor for a limited assurance review and pay the relevant fee.

Analysis of outcomes 2017-18

The first year of the new legislation and new regime produced some inevitable issues and some delays were experienced.

Therefore, SAAA decided to delay the publication of this report to provide the most robust and complete analysis of results based on data of submitted up to 31 December 2018.

The 2017-18 information in this report is therefore based on the position as at 31 December 2018 as opposed to the position as at 30 September used in previous years' reports. This means the comparative data used in the report is based on the position at different dates.

Opinions issued

Auditors aimed to issue the opinion and certificate on the 2017-18 annual return by 30 September 2018, to enable smaller authorities to publish their annual return with the auditor's report by the statutory deadline for the publication of accounts.

By 31 December 2018, auditors had issued the opinion and certificate on the 2017-18 annual return at 4,147 local councils and 107 IDBs.

For the 2017-18 year of account, 30 statutory recommendations were issued by the auditors. In addition, auditors issued 23 public interest reports to smaller authorities in period up to 31 March 2019 relating to the 2017-18 year of account. Public interest reports mainly related to the failure of authorities to submit to the external auditor an AGAR for the year ending 31st March 2018. Public interest reports for individual authorities are published on the SAAA website: saaa.co.uk

Appendix 2 lists the authorities where the auditor was unable to issue an opinion on the AGAR due to the failure by the authority to submit either an AGAR or a Certificate of Exemption for 2017-18, which led to the auditor issuing a public interest report. There are some listed authorities that also failed to comply in a previous year/s.

The new category of 'exempt authorities' resulted in 5,334 smaller authorities declaring themselves exempt from a limited assurance review by the external auditor for the first time in 2017-18.

Once an authority has declared and certified itself as exempt, then the auditor does not have duties in respect of these authorities unless an objection is received. Table 1 shows the impact of exemption in the reduction of audit opinions issued this year.

As exempt authorities are a new category, direct comparisons with previous years are not necessarily representative. However, to give some context to the 2017-18 data, comparative data from "Report on the Results of Auditors' Work 2016-17" relating to local government bodies published by Public Sector Audit Appointments has been shown.

Table 1: Key results for all smaller authorities – 2017-18 & 2016-17		
	Smaller authorities 2017-18 as at 31 December 2018	Smaller authorities 2016-17 as at 30 September 2017
Number of authorities	9,784	9,752
Number of authorities declaring themselves 'exempt'	5,334 55%	n/a
Number of non-exempt authorities	4,450 45%	9,752 100%
Opinions issued	4,254 96%	9,417 97%
Public interest reports issued	0	15 0.2%

Source: SAAA data at 31 December 2018 and PSAA data at 30 September 2017

Note: Whilst no public interest reports had been issued as at 31 December 2018, a total of 23 were issued between 1 January 2019 and 31 March 2019 in respect of the 2017-18 year of account.

Qualified opinions by authority type

Auditors issue an unqualified opinion where they consider the Annual Governance and Accountability Return (AGAR) is in accordance with the specified requirements. Where this is not the case, the auditor will qualify the opinion, setting out the reasons.

Auditors may qualify the opinion on the AGAR because of issues identified in the accounting statements, the annual governance statement (AGS), or both. A qualification on the AGS may relate to one or more of the assertions the smaller authority is required to make. These assertions are listed in Appendix 3.

Auditors issued a qualified opinion on the 2017-18 AGAR by 31 December 2018 to 1,423 local councils (33%) and 17 IDBs (16%).

The following tables show the number and percentage of qualified opinions for all smaller authorities. Analysis is also provided by local councils, internal drainage boards and by 'fee band', representing the turnover and therefore relative size of the authorities.

Table 2 shows the key results analysed by local councils and IDBs.

Table 2: Key results for local councils and internal drainage boards – 2017-18			
	Number and % of local councils	Number and % of internal drainage boards (IDBs)	All smaller authorities
Number of authorities	9,671	113	9,784
Exempt authorities	5,328 55%	6 5%	5,334 55%
Non-exempt authorities	4,343 45%	107 95%	4,450 45%
Opinions issued	4,147 95%	107 100%	4,254 96%
In progress	85 2%	0	85 2%
Not yet in	111 3%	0	111 2%
Public interest report	0	0	0

Source: SAAA data at 31 December 2018 and PSAA data at 30 September 2017

Comparative performance across 2017-18 and 2016-17 is shown in Table 3. This shows that there was a higher percentage of qualified opinions issued in 2017-18 for all authority types.

However, it should be noted that in 2017-18 qualified opinions could only be issued to authorities that did not certify themselves as exempt, whereas in 2016-17 qualified opinions could be issued to the total number of authorities. Therefore in 2017-18 the total population of authorities where a qualified opinion could be issued was a significantly lower number than in 2016-17 (4,450 v 9,752).

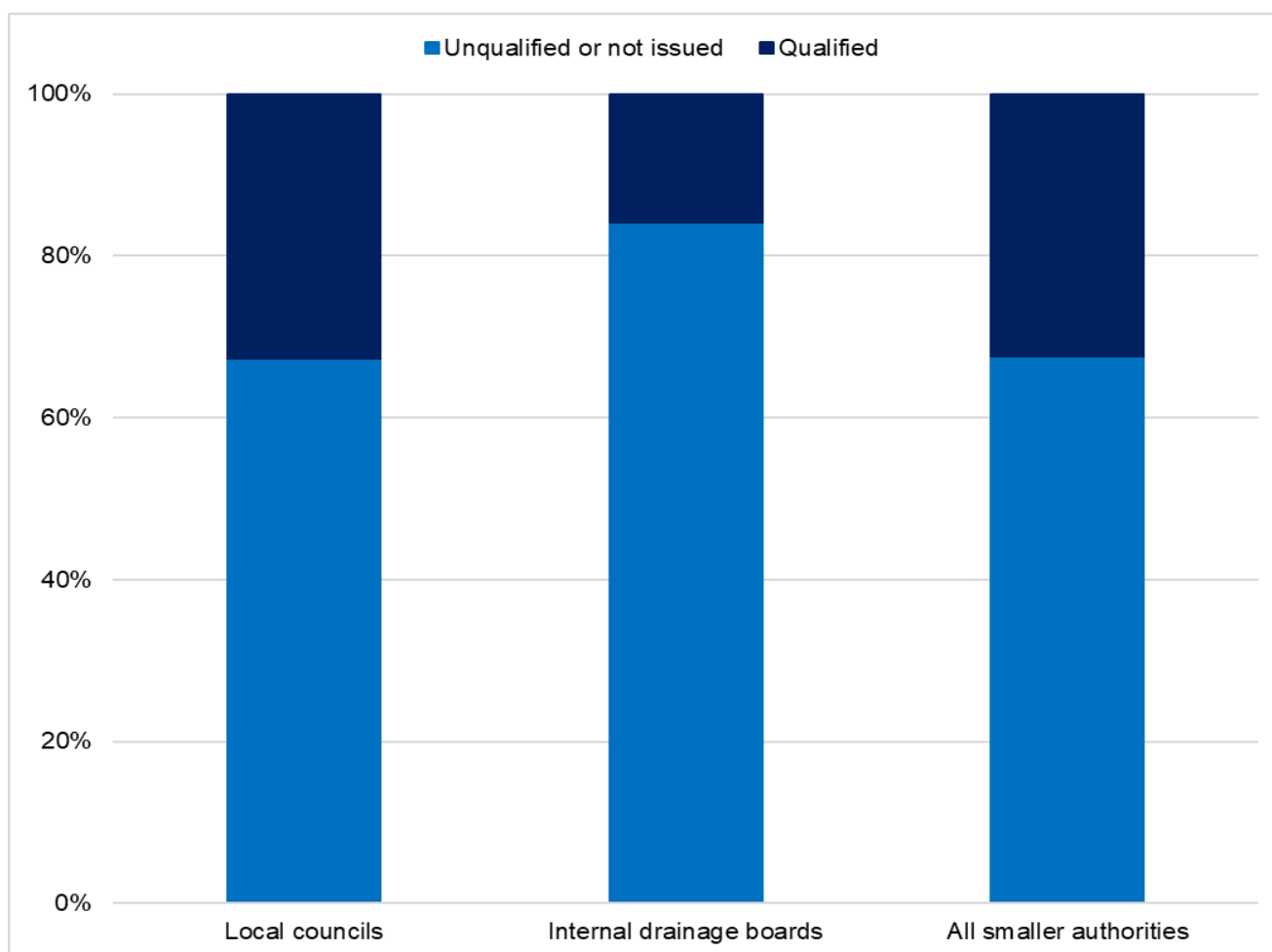
Table 3: Number of qualified, unqualified and not issued opinions – 2017-18 & 2016-17

	Local councils 2017-18	Local councils 2016-17	Internal Drainage Boards 2017-18	Internal Drainage Boards 2016-17	All smaller authorities 2017-18	All smaller authorities 2016-17
Number of authorities	4,343	9,634	107	118	4,450	9,752
Opinions issued	4,147 95%	9,301 97%	107 100%	116 98%	4,254 96%	9,417 97%
Qualified authorities	1,423 33%	2,203 23%	17 16%	12 10%	1,440 32%	2,215 23%
Unqualified authorities	2,724 63%	7,098 74%	90 84%	104 88%	2,814 63%	7,202 74%
Opinions not issued	196 5%	333 3%	0 0%	2 2%	196 4%	335 3%

Source: SAAA data at 31 December 2018 and PSAA data at 30 September 2017

Figure 1 shows that IDBs continue to perform comparatively well, with only 16% of opinions being qualified, compared to 33% for local councils.

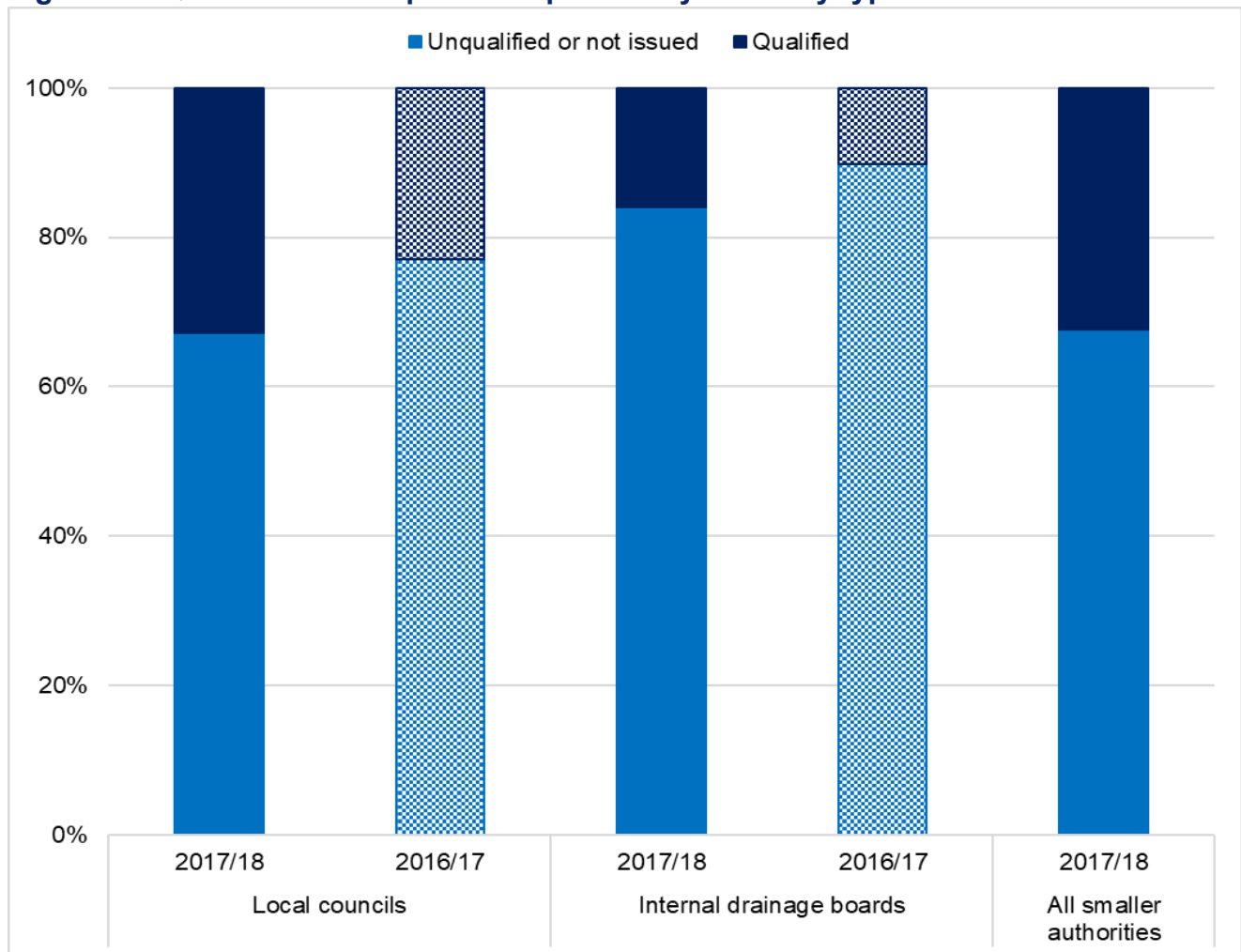
Figure 1: Qualified and unqualified opinions by authority type – 2017-18



Source: SAAA data at 31 December 2018

Comparative performance across 2017-18 and 2016-17 is shown in Figure 1a.

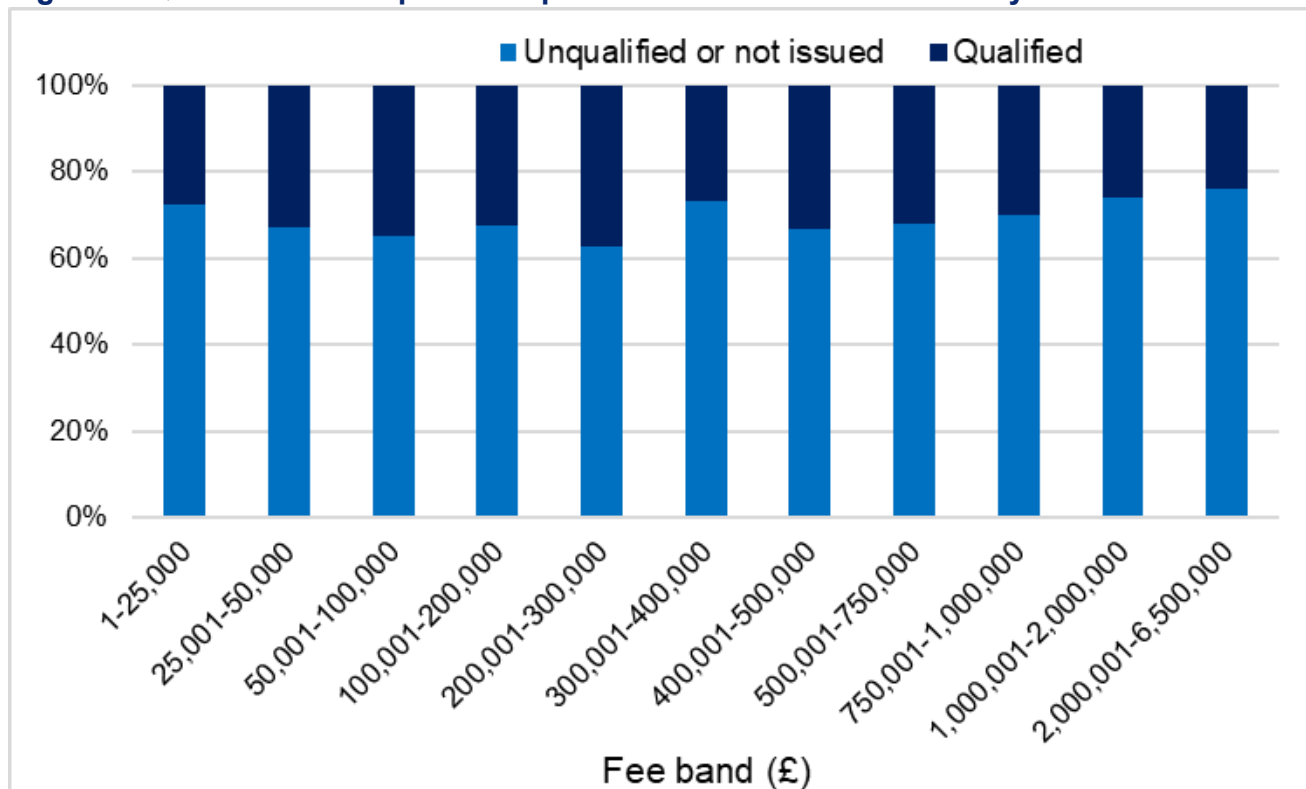
Figure 1a: Qualified and unqualified opinions by authority type – 2017-18 and 2016-17



Source: SAAA data at 31 December 2018 and PSAA data at 30 September 2017

Qualified opinions by fee band.

Figure 2 and Table 4 show the percentage of qualified opinions issued to authorities in each turnover fee band for 2017-18. This shows that larger authorities tend to have a lower number of qualified opinions, especially those authorities with turnover in excess of £1million.

Figure 2: Qualified and unqualified opinions for smaller authorities by fee band - 2017-18


Source: SAAA data at 31 December 2018

Table 4: Qualified opinions for all smaller authorities by fee band – 2017-18

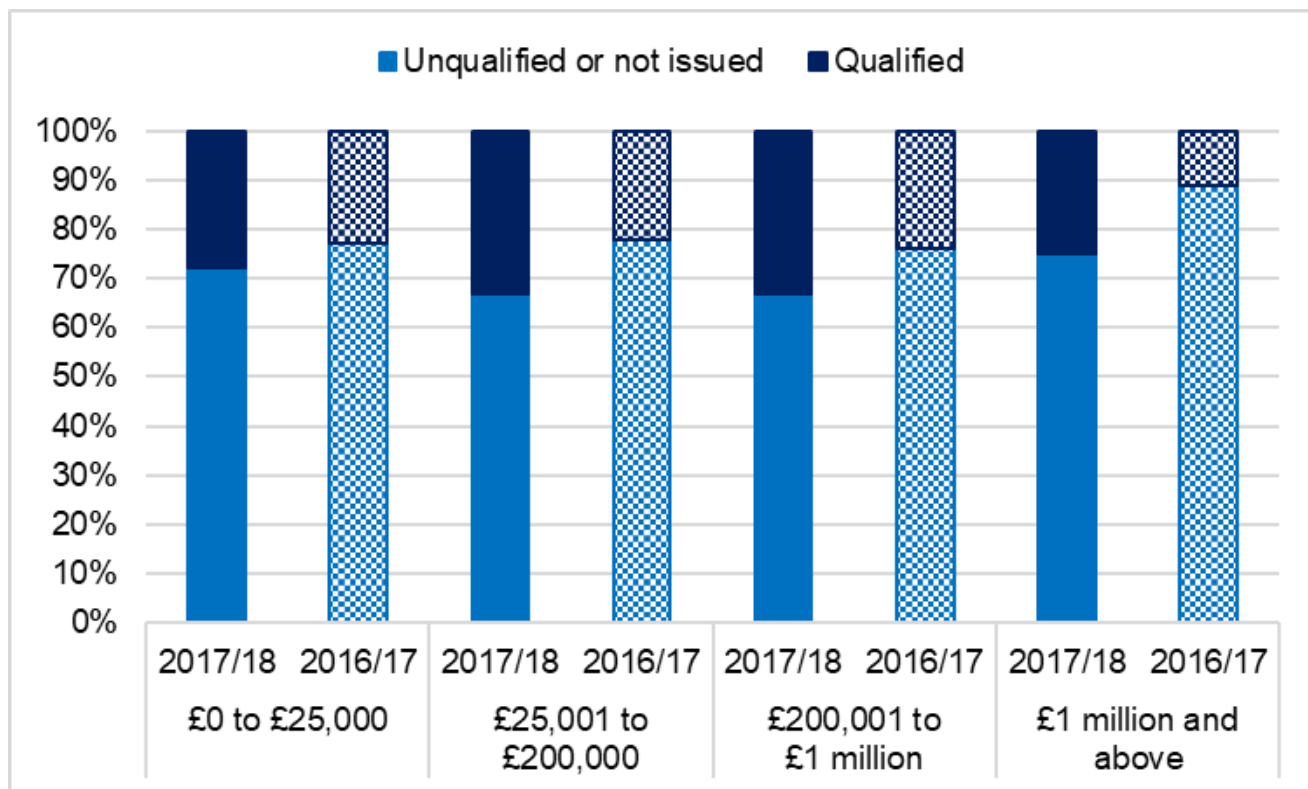
Fee band	Number of smaller authorities	Number of qualified opinions
£1 to £25,000	455	126 28%
£25,001 to £50,000	1,292	422 33%
£50,001 to £100,000	969	337 35%
£100,001 to £200,000	720	233 32%
£200,001 to £300,000	323	120 37%
£300,001 to £400,000	168	45 27%
£400,001 to £500,000	123	41 33%
£500,001 to £750,000	165	53 32%
£750,001 to £1,000,000	77	23 30%
£1,000,001 to £2,000,000	115	30 26%
£2,000,001 to £3,000,000	31	9 29%
£3,000,001 to £4,000,000	7	1 14%
£4,000,001 to £5,000,000	3	0 0%
£5,000,001 to £6,500,000	1	0 0%
£6,500,001 and above	1	0 0%
Total	4,450	1,440 32%

Source: SAAA data at 31 December 2018

Comparative performance by fee band, across 2017-18 and 2016-17 for all smaller authorities is shown in Figure 2a and Table 4a.

Figures for authorities £0 to £25,000 relate to those authorities who either did not meet the exemption criteria or those authorities who opted not to declare themselves exempt and choose to submit an AGAR to the auditor for a limited assurance review

Figure 2a: Qualified and unqualified opinions for all smaller authorities by fee band - 2017-18 & 2016-17



Source: SAAA data at 31 December 2018 and PSAA data at 30 September 2017

Table 4a: Qualified opinions for all smaller authorities by fee band – 2017-18 & 2016-17

Fee band	Number of smaller authorities	Number and % of qualified opinions 2017-18	% of qualified opinions 2016-17
£1 to £25,000	455	126 28%	23%
£25,001 to £200,000	2,981	992 33%	22%
£200,001 to £1 million	856	282 33%	24%
£1 million and above	158	40 25%	11%
Total	4,450	1,440 32%	23%

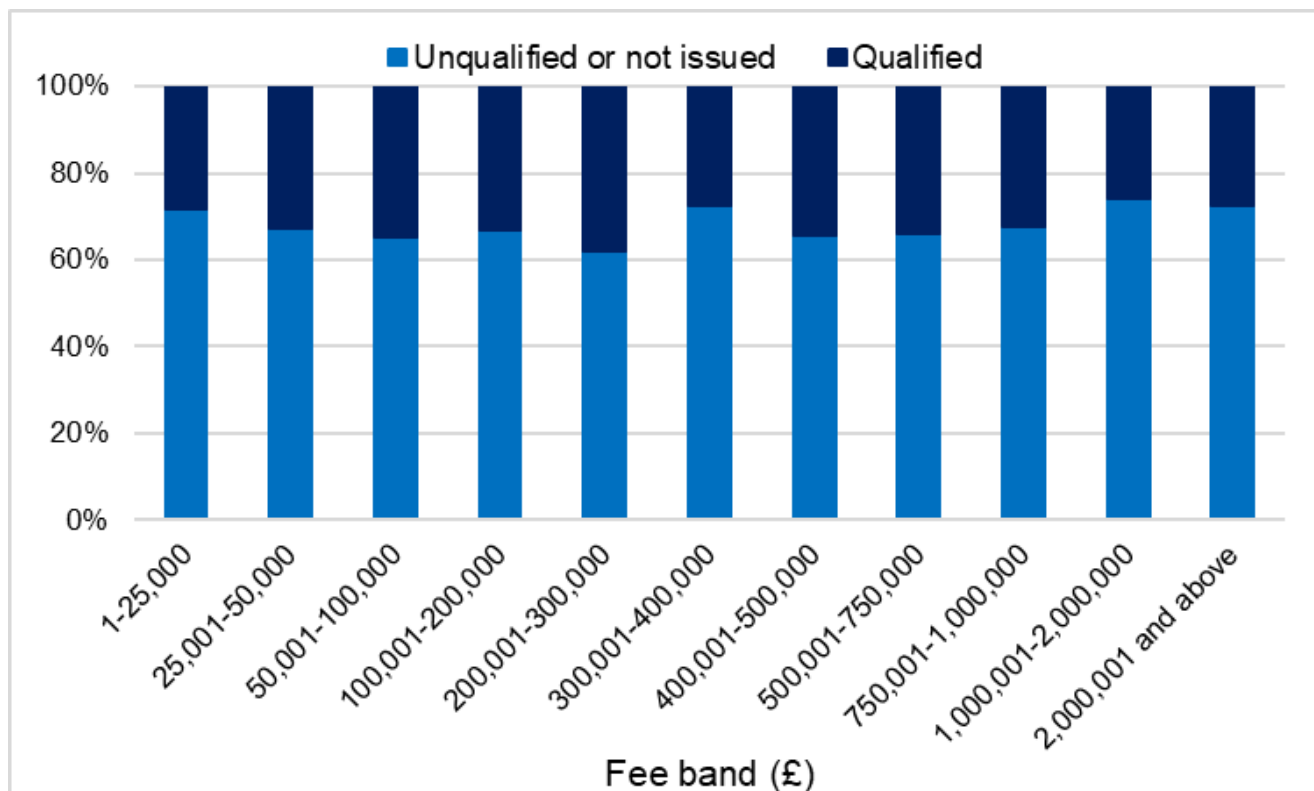
Source: SAAA data at 31 December 2018 and PSAA data at 30 September 2017. PSAA data only available in these wider fee bands

Further analysis of qualified opinions

Local councils

The following figures and graphs (Figures 3 and 4, Tables 5 and 5a) show the results split by turnover or fee band for local councils only.

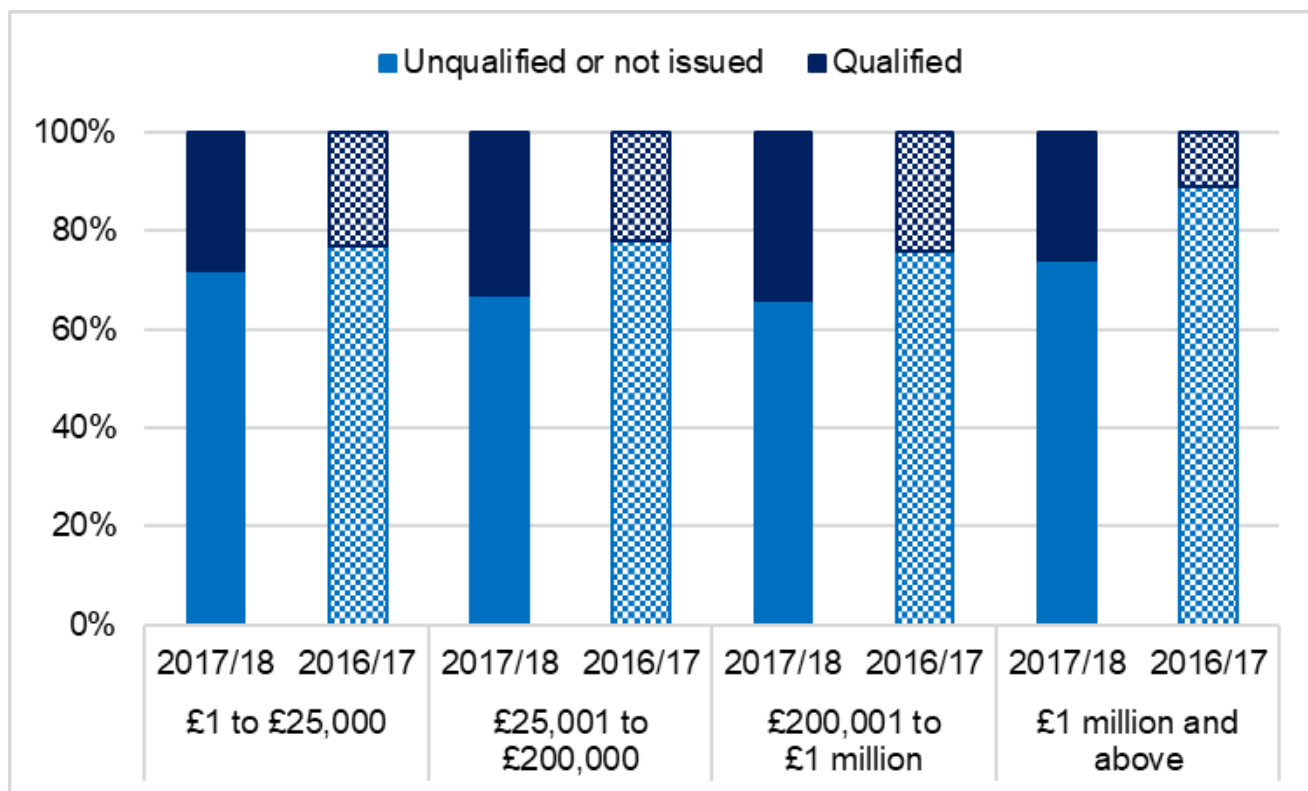
Figure 3: Qualified and unqualified opinions for local councils by fee band – 2017-18



Source: SAAA data at 31 December 2018

Comparative performance by fee band, across 2017-18 and 2016-17 is shown in Figure 4 and Table 5.

Figure 4: Qualified and unqualified opinions for local councils by fee band for 2017-18 and 2016-17



Source: SAAA data at 31 December 2018 and PSAA data at 30 September 2017

Table 5: Qualified opinions for local councils by fee band

Fee band	Number of Local Councils 2017-18	Number and % of qualified opinions 2017-18	Number of Local Councils 2016-17	Number and % of qualified opinions 2016-17
£1 to £25,000	446	126 28%	5,859	1,356 23%
£25,001 to £200,000	2,943	983 33%	2,884	646 22%
£200,001 to £1 million	820	279 34%	784	189 24%
£1 million and above	134	35 26%	107	12 11%
Total	4,343	1,423 32%	9,634	2,203 23%

Source: SAAA data at 31 December 2018 and PSAA data at 30 September 2017

Table 5a: Qualified opinions for local councils by fee band – 2017-18 & 2016-17

Fee band	Number of local councils 2017-18	Number and % of qualified opinions 2017-18	Number of local councils 2016-17	Number and % of qualified opinions 2016-17
£1 to £25,000	446	126 28%	5,859	1,356 23%
£25,001 to £50,000	1,279	419 33%	1,283	295 23%
£50,001 to £100,000	953	331 35%	924	202 22%
£100,001 to £200,000	711	233 33%	677	149 22%
£200,001 to £300,000	311	118 38%	304	72 24%
£300,001 to £400,000	165	45 27%	179	44 25%
£400,001 to £500,000	119	41 34%	97	24 25%
£500,001 to £750,000	157	53 32%	141	34 24%
£750,001 to £1,000,000	68	22 26%	63	15 24%
£1,00,001 and above	134	35 26%	107	12 11%
Total	4,344	1,423 32%	9,634	2,203 23%

Source: SAAA data at 31 December 2018 and PSAA data at 30 September 2017

Internal Drainage Boards

Tables 6 and 6a and Figure 5 show qualified opinions split by turnover or fee band for internal drainage boards only.

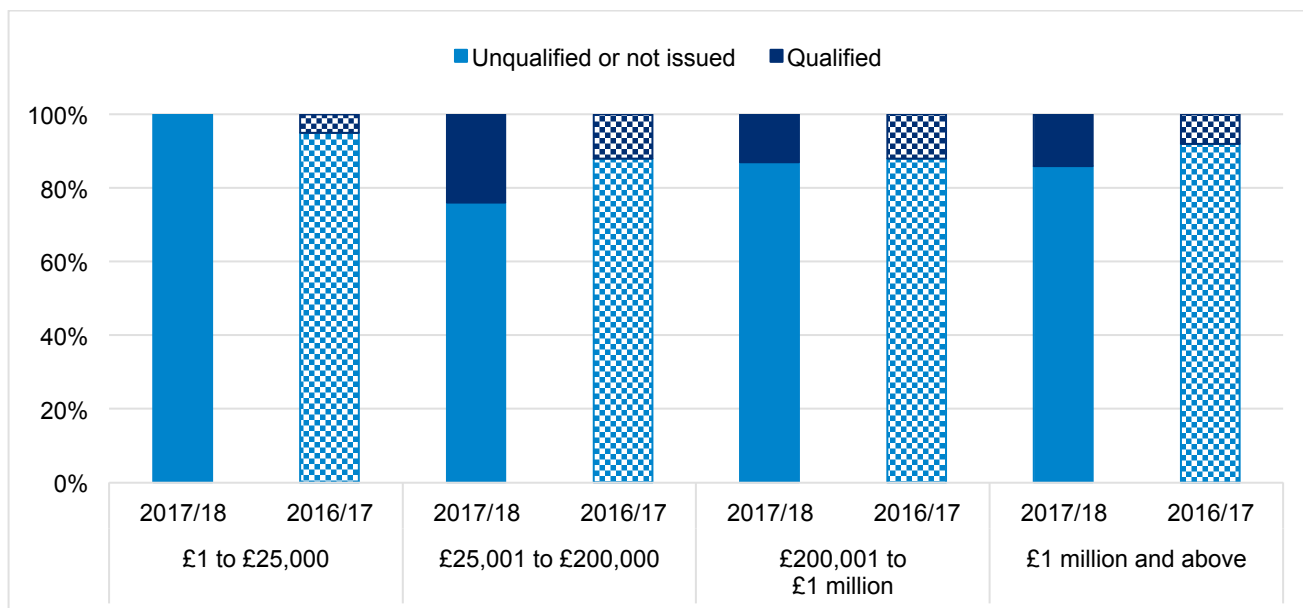
Table 6: Qualified opinions for Internal Drainage Boards by fee band – 2017-18

Fee band	Number of IDBs	Number and percentage of qualified opinions
£1 to £25,000	9	0 0%
£25,001 to £50,000	13	3 23%
£50,001 to £100,000	16	6 38%
£100,001 to £200,000	9	0 0%
£200,001 to £300,000	12	2 17%
£300,001 to £400,000	3	0 0%
£400,001 to £500,000	4	0 0%
£500,001 to £750,000	8	0 0%
£750,001 to £1,000,000	9	1 11%
£1,000,001 to £2,000,000	10	3 30%
£2,000,001 to £3,000,000	8	1 13%
£3,000,001 to £4,000,000	3	1 33%
£4,000,001 to £5,000,000	2	0 0%
£5,000,001 to £6,500,000	0	0 0%
£6,500,001 and above	1	0 0%
Total	107	17 16%

Source: SAAA data at 31 December 2018

Comparative performance across 2017/18 and 2016/17 is shown in Figure 5 and Table 6a.

Figure 5: Qualified and unqualified opinions for Internal Drainage Boards by fee band – comparison of 2017-18 and 2016-17



Source: SAAA data at 31 December 2018 and PSAA data at 30 September 2017

Table 6a: Qualified opinions for Internal Drainage Boards by fee band – 2017-18 & 2016-17

Fee band	Number of Internal Drainage Boards 2017-18	Number and % of qualified opinions 2017-18	Number of IDBs 2016-17	Number and % of qualified opinions 2016-17
£1 to £25,000	9	0 0%	19	1 5%
£25,001 to £200,000	38	9 24%	42	5 12%
£200,001 to £1 million	46	6 13%	33	4 12%
£1 million to £6.5 million	14	2 14%	24	2 8%
Total	107	17 16%	118	12 10%

Source: SAAA data at 31 December 2018 and PSAA data at 30 September 2017

Conclusion

2017-18 was the first year of the new audit legislation and the new audit regime for smaller authorities, and additionally many had a change of external auditor. Inevitably this led to some misunderstandings of the new legislation by authorities, especially in relation to the new category of exempt authorities and the actions required to declare exemption and to notify the external auditor.

In line with government strategy, communication now is mainly by electronic means (except where authorities request otherwise), and this illustrated the increased importance of authorities maintaining a specific authority e-mail address owned by the authority to ensure that the authority continues to receive important communications when a Clerk or Responsible Financial Officer (RFO) has changed.

2018-19 figures will allow a more reflective prior year comparison as it will be comparing figures under the new audit regime rather than figures under different audit regimes, and key communications with the sector over common errors and mistakes should assist in improving the overall performance of authorities next year.

Appendix 1

Opinions and qualified opinions issued by 31 December 2018 by County (contract) area.

County area	Number of authorities	Number exempt	Number not exempt	Opinions issued by 31/12/18	Qualified opinions 2017-18
Oxfordshire	316	174	142	139	34
West Sussex	155	48	107	106	17
Bedfordshire	126	50	76	75	26
Cleveland & Co. Durham	184	105	79	78	21
Staffordshire	186	96	90	88	34
Kent	316	102	214	209	76
Northumberland	156	106	50	47	15
Essex	283	109	174	170	70
Lincolnshire	473	347	126	116	49
Buckinghamshire	217	79	138	133	39
Derbyshire	255	140	115	112	48
Cambridgeshire	259	107	152	145	39
Wiltshire	272	172	100	95	36
Cheshire	233	127	106	95	39
Shropshire	194	107	87	83	21
Surrey	87	22	65	64	15
Cumbria	268	191	77	73	26
Leicestershire	280	160	120	114	54
Warwickshire	225	128	97	88	38
Devon	402	250	152	143	64
West Yorkshire	92	17	75	71	21
Worcestershire	162	87	75	72	34
Norfolk	527	346	181	167	53
South Yorkshire	91	36	55	51	19
Other Authorities	32	5	27	27	9
Berkshire	103	37	66	66	18
North Yorkshire	602	453	149	135	45
Nottinghamshire	209	122	87	81	32
Gloucestershire	263	169	94	91	35
East Sussex	103	31	72	71	17
Humberside & East Riding of Yorkshire	245	140	105	100	33
Herefordshire	137	95	42	35	11
London	1	0	1	1	0
Somerset	316	201	115	109	42
Suffolk	428	290	138	132	33
Avon	137	59	78	78	29
Cornwall	213	72	141	135	52
Dorset	192	124	68	64	25
Hampshire & IOW	296	101	195	189	57
Hertfordshire	125	50	75	72	19
Lancashire	247	126	121	113	47
Northamptonshire	263	147	116	114	31
Internal Drainage Boards	113	6	107	107	17
Total	9,784	5,334	4,450	4,254	1,440

Appendix 2

Failure to submit the 2017-18 AGAR and/or a Certificate of Exemption, and failure to produce or provide evidence to support the 2015-16 or 2016-17 annual return.

The number of authorities who failed to return an AGAR or Certificate of Exemption increased significantly in 2017-18. The main reason was potentially 'exempt' authorities not reading the instructions issued by the auditor and/or not understanding the new legislation, assuming if they met the exemption criteria no action was required. These authorities therefore failed to correctly declare themselves exempt and failed to notify the auditor of their exempt status by submitting a Certificate of Exemption despite reminders and extensive follow-up from the external auditor.

Smaller authority	2017-18	2016-17	2015-16
Alverdiscott and Huntshaw Parish Council	x		
Backford Parish Council	x		
Belvoir Parish Council			x
Bispham Parish Meeting	x		
Bowerchalke Parish Council	x		
Bromfield Parish Council		x	x
Burton Hastings Parish Meeting		x	
Camblesworth Parish Council			x
Chirbury with Brompton Parish Council	x	x	
Clowne Parish Council		x	
Dalwood Parish Council	x		
Eskdale Parish Council	x		
Great Wratting Parish Council	x		
Hardwick Parish Meeting		x	
Hooton Roberts Parish Meeting	x	x	
Kelbrook and Sough Parish Council	x		
Kilminster Parish Council	x		
Little Ponton and Stroxtun Parish Council			x
Luddington Parish Council			x
Markham Clinton Parish Council			x
Middleton Parish Council (Morecambe)	x		
Newton Longville Parish Council			x
Nidd Parish Council	x		
North Tuddenham Parish Council			x
Orchard Park Community Council	x		
Overton Parish Council (Lancashire)	x		
Pudding Norton and Testerton Parish Council	x	x	x
Rountons Parish Council			x
Salterforth Parish Council	x		
Scotter Parish Council	x		
Scrayingham Parish Council	x	x	
Sennen Parish Council	x		
Slapton Parish Council			x
Snetterton Parish Council	x		
St Buryan Parish Council	x		
St Levan Parish Council	x		
Stretton Baskerville Parish Meeting		x	
Water Orton Parish Council	x	x	
West Halton & Coleby Parish Council	x		
Wyville Cum Hungerton Parish Meeting			x

Note: list of authorities that did not submit by the deadline for 16/17 and 15/16 taken from reports for those years.

Appendix 3

Assertions in the Annual Governance Statement for smaller authorities

Assertions in the Annual Governance Statement		'Yes' means that the smaller authority took the following action:
1	We have put in place arrangements for effective financial management during the year, and for the preparation of the accounting statements.	Prepared its accounting statements in accordance with the Accounts and Audit Regulations.
2	We maintained an adequate system of internal control including measures designed to prevent and detect fraud and corruption and reviewed its effectiveness.	Made proper arrangements and accepted responsibility for safeguarding the public money and resources in its charge.
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.	Has only done what it has the legal power to do and has complied with Proper Practices in doing so.
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.	During the year has given all persons interested the opportunity to inspect and ask questions about this authority's accounts.
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.	Considered the financial and other risks it faces and dealt with them properly.
6	We maintained throughout the year an adequate and effective system of internal audit of the accounting records and control systems.	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.
7	We took appropriate action on all matters raised in reports from internal and external audit.	Responded to matters brought to its attention by internal and external audit.
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.	Disclosed everything it should have about its business activity during the year including events taking place after the year-end if relevant.
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.	Has met all of its responsibilities where it is a sole managing trustee of a local trust or trusts.