

Saaa

Smaller Authorities'
Audit Appointments

**Report on the results of auditors'
work at Smaller Authorities**

2022-23



Report on the results of auditors' work at Smaller Authorities 2022-23

4 April 2024

Version 3 published 26 Apr 2024

Contents

Executive Summary	3
Introduction	4
Smaller Authorities	4
Issues Affecting Some Smaller Authorities	5
The Local Audit and Accountability Act 2014	5
Smaller Authorities' Audit Appointments Ltd (SAAA).....	5
Responsibilities of Smaller Authorities	6
'Exempt' Smaller Authorities	7
Responsibilities of auditors.....	7
Exempt Smaller Authorities	8
Limited Assurance Review	9
Parish Meetings	9
Timeliness of AGAR Submission	10
Opinions issued.....	10
Qualified and unqualified opinions	11
Public Interest Reports (PIRs) and Statutory Recommendations	15
Appendix A	19
Appendix B	23

Report on the results of auditors' work at Smaller Authorities 2022-23

Executive Summary

2022-2023 was the first year of the second five-year appointing period during which SAAA was responsible for appointing auditors to Smaller Authorities. In 2021, SAAA appointed four audit firms, BDO, Mazars, Moore and PKF Littlejohn, for the five financial years beginning on 1 April 2022. This report gives details of their work with Smaller Authorities for the financial year 2022-2023.

In 2022-2023 there were 9,817 Smaller Authorities – 9,705 town and parish councils and Other Smaller Authorities plus 112 Internal Drainage Boards. There are 33 other Smaller Authorities, including Charter Trustees, Port Health Authorities and Conservancy Boards and Authorities. They are shown included with town and parish council in this report. 50% of all Smaller Authorities declared themselves to be exempt, leaving 4,932 Smaller Authorities requiring a limited assurance review

Eight additional Smaller Authorities were reviewed this year, a marginal increase on the previous year. This year, however, only 50% of Smaller Authorities were able to declare themselves exempt. In 2017/2018 this figure was 55%. This suggests that more Smaller Authorities are requiring a limited assurance review as their income or expenditure exceeds the £25,000 threshold. This may be due to inflation or increased activity by Smaller Authorities.

The deadline for submission of the Annual Governance and Accountability Return (AGAR) was 30 June 2023. At that date 45% (4,359) of Smaller Authorities had failed to submit their AGAR. By 31 December 2023, this figure had improved significantly to 4% (181) of smaller bodies. The delay in the submission of returns by some Smaller Authorities affects the rate at which auditors were able to issue their opinions. Nevertheless, by 31 December 2023, 93% of opinions had been issued by auditors with only 157 audits (3%) in progress and 181(4%) of AGARs not yet received.

Local council and parish meetings are encouraged to return their AGARs form by the deadline to aid their prompt review and to allow auditors to issue their opinions by their statutory deadline of 30 September.

In total, 4,594 opinions were issued by 31 December 2023. 1,428 of these (31%) were qualified by the auditor as not fully meeting statutory requirements. This is a similar level of qualification to the previous year.

In 2022-2023 six Public Interest Reports (PIR) were issued at as the date of this report (4 April 2024) compared with eight in 2021-2022. All were issued because the authority failed to submit an AGAR or Certificate of Exemption when required to do so. Auditors also made 22 statutory recommendations to authorities that had failed, despite reminders, to submit a 2022-23 AGAR, the same number as in 2021-22.

Introduction

This is the sixth report on the results of auditors' work issued by Smaller Authorities' Audit Appointments Ltd (SAAA) and summarises the results of auditors' work at Smaller Authorities (local government bodies with annual turnover below £6.5 million) in relation to the year that began on 1 April 2022 and ended on 31 March 2023.

In 2022-23 there were a total of **9,817** such Smaller Authorities, comprising:

9,672 'local councils' (town councils, parish councils, community councils, neighbourhood councils, and parish meetings (in parishes where there is no parish council)).

112 internal drainage boards (IDBs); and

33 other local government bodies (such as Charter Trustees, Port Authorities and Conservators) not classified as 'local councils.

The 9,672 local councils include **1,266** parish meetings. These are bodies with limited powers and low levels of expenditure. They are considered in more detail in the report below.

Background

Smaller Authorities

A 'Smaller Authority' is defined in legislation as an authority where for three years the higher of gross annual income or expenditure does not exceed £6.5 million.

Local councils are the first tier of local government and are statutory bodies. They are independently elected bodies that represent their communities, deliver or contribute to the delivery of a range of services – for example, parks and open spaces, cemeteries, allotments and village halls – and strive to improve the quality of life in their localities. Over £653 million was raised by precepting local councils in 2022-2023.

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 per cent of England's landmass) and 112 of these are Smaller Authorities. IDBs 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.

IDBs spend over £60 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.

Issues Affecting Some Smaller Authorities

Once a Smaller Authority's income or expenditure exceeds £6.5m for three consecutive years, it ceases to be a Smaller Authority and becomes a Category 1 authority and therefore subject to Full Audit.

SAAA is aware of impact that moving across the £6.5m threshold can have for Smaller Authorities. The £6.5m limit has not been reviewed since it was set. Some Smaller Authorities are moving between Limited Assurance and Full Audit due to widely fluctuating income or expenditure, such as DEFRA grants, and other Smaller Authorities' income and expenditure will routinely and predictably exceed £6.5m as they become more active, with double devolution and Community Infrastructure Levy funding coupled with the effect of inflation.

Where Smaller Authorities have breached the threshold and moved to Full Audit, this has caused difficulties for the authority. The first, an Internal Drainage Board, has not had its accounts signed off for over 3 years, in part because the transition is complex. Further as their expenditure has fallen, they returned to being a Smaller Authority, but SAAA's appointed auditor cannot finalise their limited assurance review as earlier audits are outstanding. The second authority breaching the threshold has still not had an auditor appointed to it by the Public Sector Audit Appointments. SAAA are aware of several other authorities which will shortly breach the £6.5m threshold and it may be likely possible that no auditor will be appointed to them.

The Local Audit and Accountability Act 2014

The Local Audit and Accountability Act 2014 established arrangements for the accountability and audit of local public bodies in England. The legislation requires every Smaller Authority to appoint its own auditor for the financial year starting on 1 April 2017 and each subsequent financial year.

Smaller Authorities' Audit Appointments Ltd (SAAA)

SAAA was established as the sector-led not for profit company to assist Smaller Authorities to procure and appoint external auditors. It was formed by the national sector membership organisations, the National Association of Local Councils (NALC), Society of Local Council Clerks (SLCC) and Association of Drainage Authorities (ADA).

The Secretary of State at the then Department of Communities and Local Government (now the Department for Levelling Up, Housing and Communities and Local Government (DLUHC)) appointed SAAA as the 'specified person' to procure and appoint external auditors to Smaller Authorities that did not choose to appoint their auditors directly, and to set audit fees for those 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.

In 2016, and again in 2021, all Smaller Authorities agreed to have auditors appointed by SAAA. Each time SAAA then undertook a comprehensive and robust procurement tender exercise and was able to appoint external auditors to all Smaller Authorities in a cost-effective way.

Four firms of external auditors were appointed as auditors to Smaller Authorities for the five financial years beginning on 1 April 2022: PKF Littlejohn, Mazars, BDO and Moore East Midlands.

As well as appointing auditors and setting scales of fees, SAAA is responsible for preparing and making available the Annual Governance and Accountability Return (AGAR) that all Smaller Authorities are required to complete and for reviewing the quality of audit work.

Responsibilities of Smaller Authorities

Smaller Authorities are required to prepare their accounting statements in accordance with statutory requirements and timetables, as set out in the Accounts and Audit Regulations 2015. These require a meeting to be held annually not later than 30 June at which the previous year's accounting statements (with associated documents) and/or certificates of exemption are approved, published and sent to the external auditor.

Smaller Authorities producing accounting statements are required to ensure that they are 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 NALC, SLCC and ADA.

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).

All Smaller Authorities (except Parish Meetings) are required to publish their AGAR on a freely accessible public website. It is, however, apparent that, despite reminders, a significant number of Smaller Authorities are still not complying with this Transparency Code requirement.

Smaller Authorities are required under the Freedom of Information Act 2000 to publish contact details, but these are not always kept up to date. Auditors report difficulties in contacting some authorities that have failed to notify the auditor as required when the email address of the Chairman, Responsible Financial Officer or Clerk has changed. For that reason, both JPAG and SAAA strongly recommend that every Smaller Authority maintain and publish a generic email address (for example

clerk@ambridgeparishcouncil.gov.uk or chair@lakeygreenparishmeeting.gov.uk) of which the authority is the legal owner.

‘Exempt’ Smaller Authorities

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

The main exemption criteria are as follows:

- The authority must certify that, for the financial year in question, the higher of its gross income and gross expenditure did not exceed £25,000;
- The financial year must not be one of the first three years of the authority’s existence; and
- In relation to the preceding financial year, the external auditor must not have:
 - issued a public interest report in respect of the authority; or
 - made a statutory recommendation to the authority.

The full qualifying criteria for an authority to declare itself as exempt are set out in Regulation 9 of the Local Audit (Smaller Authorities) Regulations 2015 and are listed on the Certificate of Exemption which is part of the Annual Governance and Accountability Return.

If an authority can confirm that all the criteria apply and that it 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 held 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. Once an authority has declared and certified itself as exempt, then the auditor does not have any further duties in respect of that authority unless an objection is received.

An authority that meets the exemption criteria can still opt for a limited assurance review by its external auditor for a fee if it so chooses.

Responsibilities of auditors

Auditors are required to undertake their work at Smaller Authorities within a framework prescribed by the Local Audit and Accountability Act 2014 (the ‘Act’) and the National Audit Office (NAO) Code of Audit Practice (the ‘Code’).

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

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 that 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, auditors are required under Schedule 7 of the Act to consider whether they should exercise any of their additional reporting powers by issuing a written statutory recommendation or a public interest report.

An authority whose auditor has exercised these additional powers cannot then declare itself 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 2022-23

Exempt Smaller Authorities

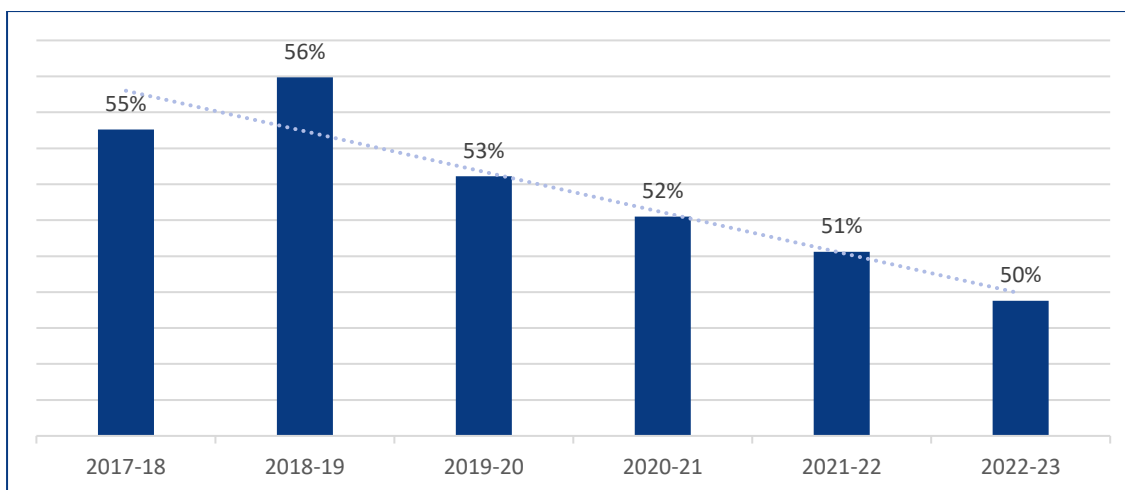
In 2022-23 a total of **4,885** Smaller Authorities (50%) declared themselves exempt from a limited assurance review by the external auditor. This continues the modest trend of yearly decreases as in 2021-2022 5,014 (51%) Smaller Authorities declared themselves exempt.

The percentage of Smaller Authorities that have declared themselves to be exempt has been decreasing every year since 2017-2018. Figure 1 below shows the percentage of Smaller Authorities not requiring a review each year from 2017-18 to 2022-23 decreasing from 55% in the first year to 50% in the latest year.

This year the number of Smaller Authorities requiring a limited assurance review increased by 137 (nearly 3%) to **4,932**.

SAAA is monitoring the impact of inflation on the number of potentially exempt authorities while the £25,000 threshold remains unchanged.

Figure 1: Percentage of all Smaller Authorities not requiring a review from 2017-18 to 2022-23



Limited Assurance Review

In 2022-23 4,932 authorities required a limited assurance review. These included 97 authorities (2021-22: 150) where neither income nor expenditure exceeded £25,000, but the authority either did not meet the exemption criteria or had specifically requested a limited assurance review. SAAA notes continuation of the downward trend as noted last year as authorities certify their exemption appropriately.

Table 1 shows the number and proportion of all Smaller Authorities requiring a review or certifying themselves as exempt (not requiring a review) as at 31 December 2022 and 31 December 2023, with separate totals for local councils (including miscellaneous local government bodies) and internal drainage boards.

Table1: Authorities requiring a review

	Local councils 2021-22		Local councils 2022-23		Internal Drainage Boards 2021-22		Internal Drainage Boards 2022-23		All Smaller Authorities 2021-22		All Smaller Authorities 2022-23	
Number of authorities	9,697		9,705		112		112		9,809		9,817	
Authorities certifying themselves as exempt (not reviewed)	5,008	52%	4,880	50%	6	5%	5	4%	5,014	51%	4,885	50%
Authorities requiring a review	4,689	48%	4,825	50%	106	95%	107	96%	4,795	49%	4,932	50%

Parish Meetings

There are 1,266 parish meetings. These bodies have limited powers and low levels of expenditure. In 2022-23 661 (52%) of parish meetings were financially inactive and 473 (37%) declared themselves exempt but 130 (10%) failed to submit an AGAR. Two parish meetings required a limited assurance review.

As noted in previous reports, SAAA continues to review the impact of the limited assurance requirements for parish meetings on the limited assurance regime.

The SAAA Board decided in October 2020 that, on grounds of proportionality, auditors should not charge fees for issuing reminder letters where a parish meeting had failed to certify itself as exempt (even though they should continue to remind them of their obligation to submit a Certificate). This practice continued in 2021-22 and 2022-23.

Timeliness of AGAR Submission

In 2022-23 4,359 (45%) of Smaller Authorities had failed to submit their AGAR by the statutory deadline of 30 June 2023. This a significant worsening of compliance from 2021-22 when the comparable figure was 1,211 (12%).

By 31 December 2023, 181 authorities had still failed to submit an AGAR. While this was a smaller number than in 2021-22 (188) or 2020-21 (217), it was still well above the pre-pandemic level: as at 31 December 2019, prior to the onset of the pandemic, only 43 authorities had failed to submit an AGAR for the 2018-19 financial year.

Of the authorities failing to submit an AGAR by 31 December 2023 180 were local councils and one was an IDB.

Therefore, SAAA strongly encourages Smaller Authorities to make adequate arrangements to ensure that the AGAR is approved and submitted in accordance with the statutory deadlines.

Opinions issued

Auditors aim to issue their opinions on Smaller Authorities' annual returns in time to enable the authorities to publish their annual returns with their auditor's reports and certificates by the statutory deadline for the publication of accounts of 30 September. If there are outstanding objections and challenges the auditor may issue an interim certificate pending a review and/or investigation into objections and the auditor's opinion will be issued later. This interim certificate must also normally be issued by the statutory deadline of 30 September.

By 31 December 2023, auditors had issued a final opinion and certificate on the 2022-23 annual return at 4,594 local councils and other authorities (93% of local councils requiring a review), and 105 IDBs (98%). For local councils, this was an improvement on 2021-22 where only 90% of opinions were issued and, for IDBs, a modest decrease from 99% in 2021-22.

Consequently 157 reviews (4%) were reported as still in progress as at 31 December 2023, which is an improvement on 2021-22 when 282 (6%) of reviews were still in progress as at 21 December 2022.

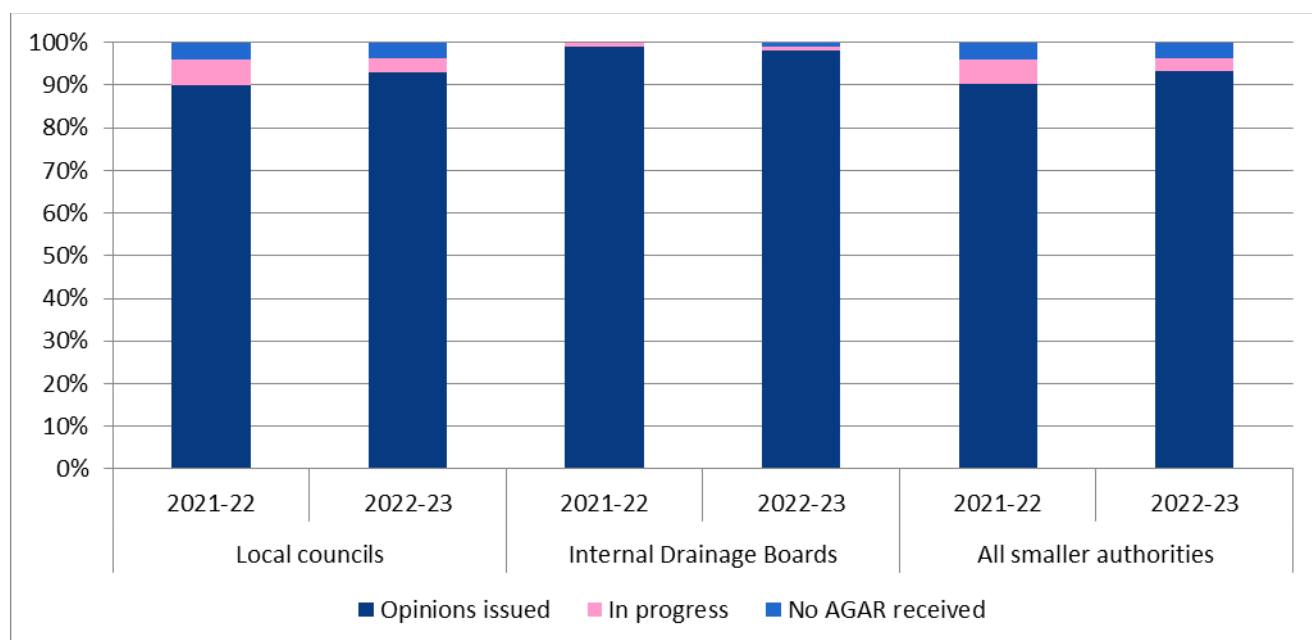
Table 2 shows the number and proportion of opinions issued as at 31 December 2022 and 31 December 2023, with separate totals for local councils (including miscellaneous local government bodies) and internal drainage boards.

Table 2: Opinions issued and not issued as at 31 December 2022 and 31 December 2023

	Local councils 2021-22		Local councils 2022-23		Internal Drainage Boards 2021-22		Internal Drainage Boards 2022-23		All Smaller Authorities 2021-22		All Smaller Authorities 2022-23	
Authorities requiring a review	4,689		4,825		106		107		4,795		4,932	
Opinions issued	4,220	90%	4,489	93%	105	99%	105	98%	4,325	90%	4,594	93%
In progress	281	6%	156	3%	1	1%	1	1%	282	6%	157	3%
No AGAR received	188	4%	180	4%	0	0%	1	1%	188	4%	181	4%

Figure 3 shows the percentage of opinions issued and (as at 31 December 2023) still to be issued in relation to those authorities requiring a review.

Figure 3: Opinions issued and not issued



Qualified and unqualified opinions

Auditors issue an unqualified opinion where they consider that the Annual Governance and Accountability Return (AGAR) meets with the specified requirements. Where this is not the case, the auditor will ‘qualify’ the opinion, setting out the respects in which the requirements are not met and explaining the reasons that have led to that conclusion.

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 that the Smaller Authority is required to make. The assertions are set out in Appendix B for reference.

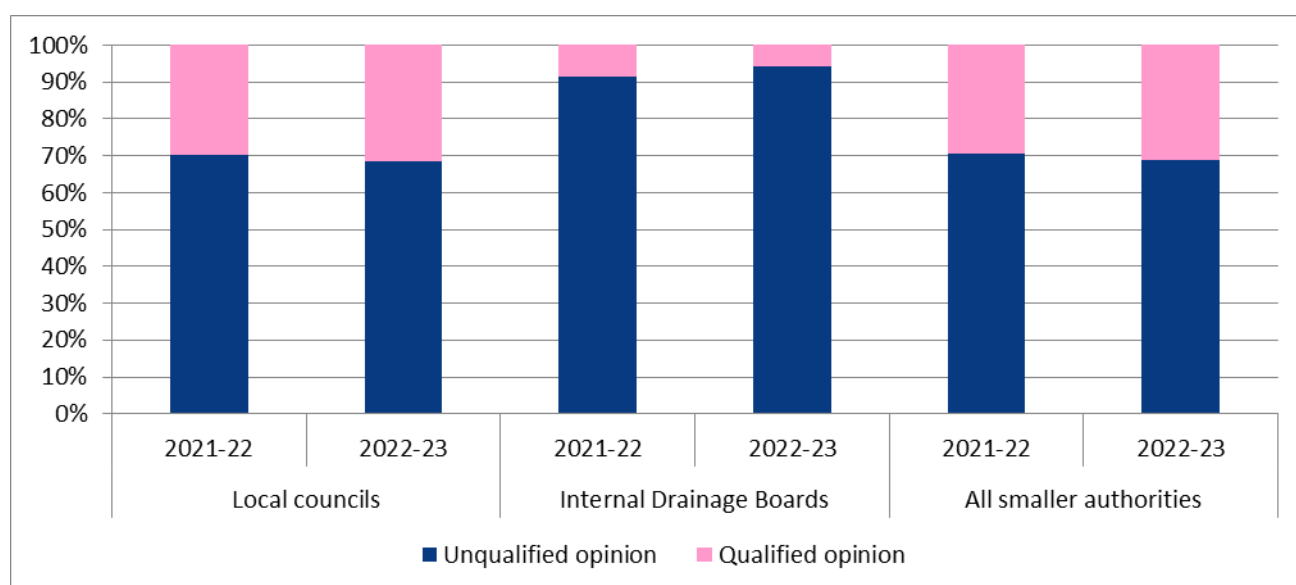
Of the opinions that auditors had issued to Smaller Authorities by 31 December 2023, 69% per cent were unqualified, as shown in Table 3 and Figure 4. There is a continued modest rise in the number of qualified opinions. SAAA will continue to

monitor this increase and will seek further information should this continue to rise in 2023-24.

Table 3 Number of qualified and unqualified opinions

	Local councils 2021-22		Local councils 2022-23		Internal Drainage Boards 2021-22		Internal Drainage Boards 2022-23		All Smaller Authorities 2021-22		All Smaller Authorities 2022-23	
Opinions issued	4,220		4,489		105		105		4,325		4,594	
Qualified opinion	1,257	30%	1,422	32%	9	9%	6	6%	1,266	29%	1,428	31%
Unqualified opinion	2,963	70%	3,067	68%	96	91%	99	94%	3,059	71%	3,166	69%
Opinions not issued	469		336		1		2		470		338	

Figure 4: Qualified and unqualified opinions



Appendix A provides analysis by contract area of

- the number and percentage of Smaller Authorities that required a review
- the number and percentage of Smaller Authorities that did not require a review
- the number and percentage of Smaller Authorities where an opinion was issued
- The number and percentage of Smaller Authorities where an opinion was not issued
- the number and percentage of qualified opinions
- the number and percentage of unqualified opinion

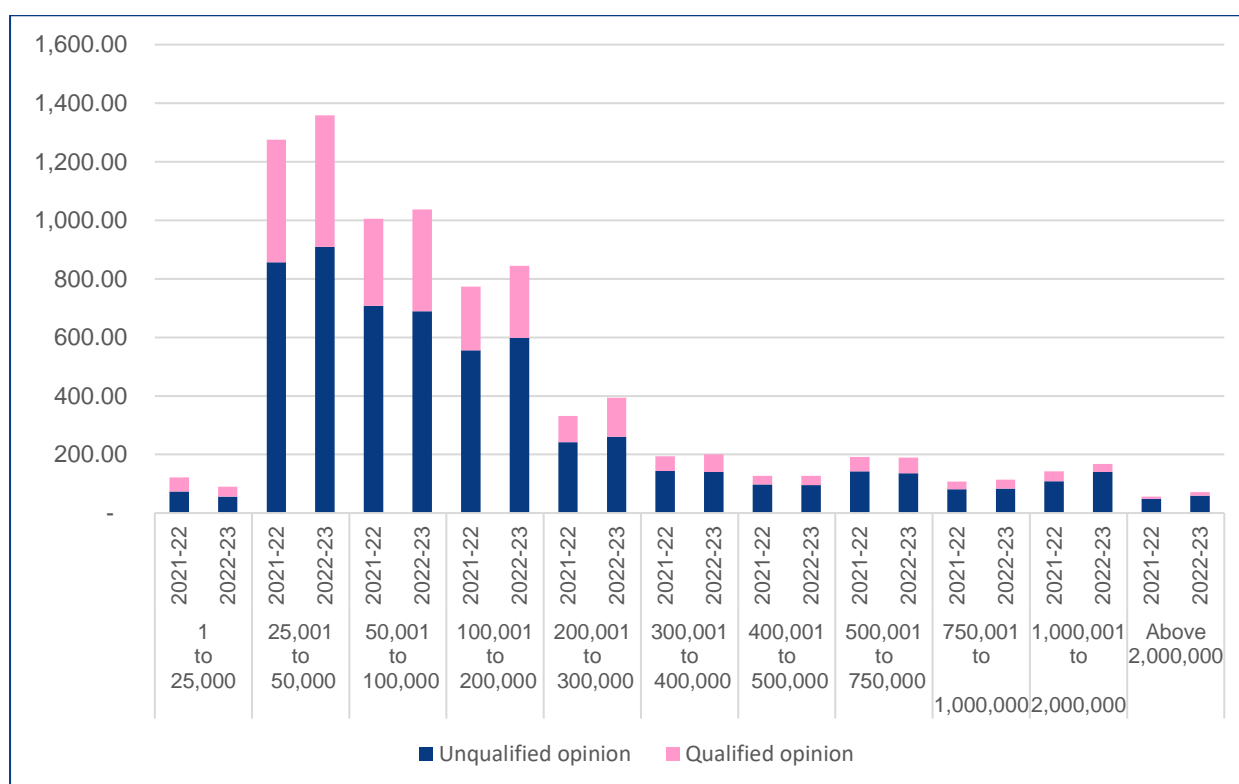
Examination of Tables A1 and A2 shows the percentage of qualified opinions varies widely by contract area from 7% in Avon to 100% in London (an area with very few authorities). The average percentage of qualified opinions across all areas is 31% as shown in Table 3 above.

To interpret these results more fully by area would require additional information about the composition of each area. That may be a matter for future reports.

Table 4: Qualified opinions for Smaller Authorities by fee band – 2021-22 and 2022-23

Fee band (£)	Opinions issued 2021-22	Number and percentage of qualified opinions 2021-22		Opinions issued 2022-23	Number and percentage of qualified opinions 2022-23	
1 to 25,000	122	48	39%	90	34	38%
25,001 to 50,000	1,275	419	33%	1,358	449	33%
50,001 to 100,000	1,005	297	30%	1,037	348	34%
100,001 to 200,000	773	217	28%	844	246	29%
200,001 to 300,000	332	90	27%	394	133	34%
300,001 to 400,000	194	50	26%	201	61	30%
400,001 to 500,000	127	29	23%	127	32	25%
500,001 to 750,000	192	50	26%	190	54	28%
750,001 to 1,000,000	107	26	24%	114	31	27%
1,000,001 to 2,000,000	142	33	23%	168	28	17%
Above 2,000,000	56	7	13%	71	12	17%
Total	4,325	1,266	29%	4,594	1,428	31%

Figure 5: Qualified and unqualified opinions for Smaller Authorities by fee band 2021-22 and 2022-23



Public Interest Reports (PIRs) and Statutory Recommendations

Schedule 7 of the Local Audit and Accountability Act 2014 requires auditors to consider whether, in the public interest, they should make a report on any matter that relates to an authority, or an entity connected with the authority coming to their notice during the audit, so that it can be considered in accordance with the requirements set out in schedule 7 or brought to the public's attention. Auditors may issue a public interest report during or after the end of the audit.

The great majority of public interest reports (139 of the 155 PIRs issued since 2017-18) have resulted from authorities having failed to submit an AGAR or Certificate of Exemption as required by legislation despite having received a request from the auditor and two reminder letters. Reminder letters are accompanied by a demand for a fee (currently £40). Where the authority might have been able to claim exemption (but failed to submit a Certificate) there is a further financial consequence, as the authority is unable to claim exemption the following year and must receive and pay for a limited assurance review.

In relation to 2022-23 six PIRs have been issued as at the date of this report (4 April 2024). All PIRs issued have been for failure to submit an AGAR. Three of the six PIRs have been issued to authorities for the first time, and three have been issued to authorities who have received a PIR before, some on repeated occasions.

Table 5 lists the authorities where the auditor has issued a report in the public interest in the last three years. The list includes all PIRs issued up to 4 April 2024. The number of PIRs issued for 2022-23 may increase if PIRs are issued after this report is published.

All PIRs are published on the SAAA website and copies are sent to the Secretary of State at DLUHC (for local councils) and at DEFRA (for IDBs), the National Audit Office and the local Monitoring Officer.

SAAA is pleased to note the continued fall in number of PIR issued from a previously reported peak in 2019-20.

Table 5: Public interest reports issued over the past three audit years (as at 4 April 2024.)

Key:

A = authority failed to submit AGAR

E = authority incorrectly claimed exemption from review

O = other reason

Smaller Authority	2020-21	2021-22	2022-23
Abbotsham Parish Council	A		
Akeley Parish Council			A
Allonby Parish Council		A	
Ashreigney Parish Council		A	
Bisham Parish Council		A	A

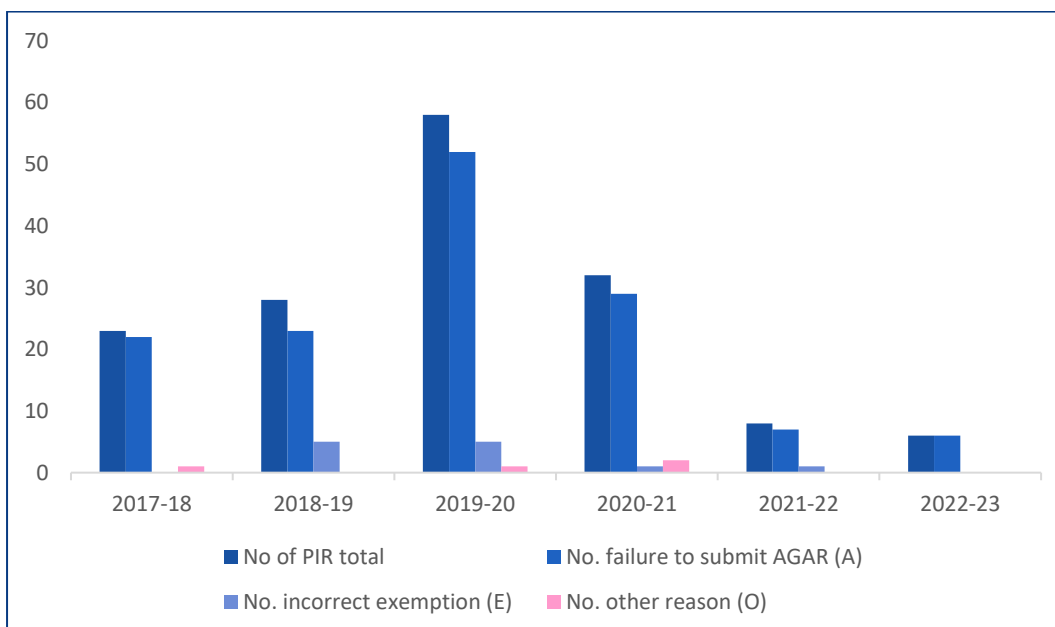
Smaller Authority	2020-21	2021-22	2022-23
Bradford-on-Tone Parish Council	A		
Brotherton Parish Council	A		
Burnham Parish Council	A		
Claypole Parish Council			A
Coniston and Thurtleby Parish Council	A		
Debden Parish Council	E		
Earls Colne Parish Council		A	
Fordbridge Town Council		A	
Groby Parish Council		O	
Hampsthwaite Parish Council		E	
Hartington Upper Quarter Parish Council		E	
Holwell Parish Council		E	
Icklingham Parish Council	A	A	
Irby Upon Humber Parish Council	A		A
Kelbrook and Sough Parish Council	A		
Kirby Grindalythe & Duggleby Parish Council		A	A
Kirby Muxloe Parish Council	O		
Lea Parish Council	A		
Littleport Parish Council	A		
Mareham Le Fen Parish Council	A		
Newbourne Parish Council	A		
Osbaldeston Parish Council	A		
Pidley Cum Fenton Parish Council	A		
Potto Parish Council	O		
Preston Parish Council	A		
Ramsey Internal Drainage Board	A		
Raskelf Parish Council	A		
Scrayingham Parish Council	A	A	
Skidbrooke With Saltfleet Haven Parish Council	A		
Soulbury Parish Council	A		
South Somercotes With Fenhouse & Scupholme Parish Council	A	A	
St Mary Bourne Parish Council	A		
Stanstead Parish Council	A		
Tingewick Parish Council	A		

Smaller Authority	2020-21	2021-22	2022-23
Tremaine Parish Council	A	A	
Tresmeer Parish Council	A	A	
Tunstall Parish Council		A	
Uffculme Parish Council	A		
Waterbeach Parish Council			A
Westhoughton Town Council		A	
Winterbourne Abbas and Winterbourne Steepleton Parish Council	A		
Wotton Parish Council	A		

Table 6: The type and number of PIRs issued 2017-18 to 2022-23

	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
No of PIR total	23	28	58	32	8	6
No. failure to submit AGAR (A)	22	23	52	29	7	6
No. incorrect exemption (E)	0	5	5	1	1	0
No. other reason (O)	1	0	1	2	0	0

Figure 6: The total number and type of PIR issued 2017-18 to 2022-23



Schedule 7 of the Local Audit and Accountability Act 2014 also provides for an auditor to make a written recommendation to an authority, which the authority is required to consider. The great majority of these recommendations relate to the

requirement to submit an AGAR (or Certificate of Exemption) and may be followed by a PIR where no action is taken.

By 31 December 2023 22 such statutory recommendations had been issued by auditors in relation to the financial year 2022-23, all relating to failure to submit an AGAR. This is the same number as issued as in 2021-22.

Appendix A

Table A.1 Smaller Authorities: opinions issued by 31 December 2023 by contract area.

County area	Number of authorities	Not requiring a review	Requiring a review*	Opinions issued by 31/12/23
Avon	137	50	87	82
Bedfordshire	127	47	80	80
Berkshire	103	28	75	68
Buckinghamshire	219	69	150	144
Cambridgeshire	259	100	159	154
Cheshire	233	129	104	93
Cleveland and County Durham	186	98	88	87
Cornwall	212	68	144	134
Cumbria	270	183	87	72
Derbyshire	255	119	136	124
Devon	402	241	161	152
Dorset	195	112	83	76
East Sussex	104	31	73	69
Essex	284	97	187	182
Gloucestershire	264	157	107	98
Hampshire & the Isle of Wight	298	95	203	194
Herefordshire	137	88	49	47
Hertfordshire	125	41	84	83
Humberside & East Riding of Yorkshire	244	133	111	106
Kent	321	88	233	230
Lancashire	248	111	137	129
Leicestershire & Rutland	284	134	150	118
Lincolnshire	473	322	151	131
London	2	-	2	2
Norfolk	527	317	210	195
North Yorkshire	600	436	164	142
Northamptonshire	271	129	142	134
Northumberland	155	102	53	52
Nottinghamshire	210	120	90	83
Other Authorities	33	3	30	30
Oxfordshire	317	152	165	147
Shropshire	194	102	92	91
Somerset	315	182	133	123

South Yorkshire	92	39	53	50
Staffordshire	187	89	98	96
Suffolk	429	259	170	158
Surrey	87	16	71	70
Warwickshire & West Midlands	225	97	128	93
West Sussex	154	35	119	110
West Yorkshire	93	18	75	71
Wiltshire	272	160	112	111
Worcestershire	162	83	79	78
Internal Drainage Boards	112	5	107	105
Total	9,817	4,885	4,932	4,594

***The column counts number of AGAR not received AND number of AGAR where an opinion has not been issued.**

Table A.2 Smaller Authorities: qualified and unqualified opinions on 2022-2023 accounts by contract area

Contract Area	Unqualified opinion	% Unqualified opinion	Opinion not yet issued or awaiting AGAR	% Opinion not yet issued or awaiting AGAR	Qualified opinion	% Qualified opinion
Avon	76	87%	5	6%	6	7%
Bedfordshire	65	81%	0	0%	15	19%
Berkshire	44	59%	7	9%	24	32%
Buckinghamshire	96	64%	6	4%	48	32%
Cambridgeshire	104	65%	5	3%	50	31%
Cheshire	63	61%	11	11%	30	29%
Cleveland and County Durham	65	74%	1	1%	22	25%
Cornwall	125	87%	10	7%	9	6%
Cumbria	29	33%	15	17%	43	49%
Derbyshire	76	56%	12	9%	48	35%
Devon	100	62%	9	6%	52	32%
Dorset	69	83%	7	8%	7	8%
East Sussex	53	73%	4	5%	16	22%
Essex	122	65%	5	3%	60	32%
Gloucestershire	59	55%	9	8%	39	36%
Hampshire & the Isle of Wight	182	90%	9	4%	12	6%
Herefordshire	28	57%	2	4%	19	39%
Hertfordshire	63	75%	1	1%	20	24%
Humberside & East Riding of Yorkshire	65	59%	5	5%	41	37%
Kent	192	82%	3	1%	38	16%
Lancashire	79	58%	8	6%	50	36%
Leicestershire & Rutland	52	35%	32	21%	66	44%
Lincolnshire	85	56%	20	13%	46	30%
London	0	0%	-	0%	2	100%
Norfolk	134	64%	15	7%	61	29%
North Yorkshire	77	47%	22	13%	65	40%
Northamptonshire	96	68%	8	6%	38	27%
Northumberland	39	74%	1	2%	13	25%
Nottinghamshire	53	59%	7	8%	30	33%
Other Authorities	22	73%	-	0%	8	27%
Oxfordshire	55	33%	18	11%	92	56%
Shropshire	56	61%	1	1%	35	38%
Somerset	83	62%	10	8%	40	30%
South Yorkshire	39	74%	3	6%	11	21%
Staffordshire	72	73%	2	2%	24	24%
Suffolk	101	59%	12	7%	57	34%
Surrey	58	82%	1	1%	12	17%
Warwickshire & West Midlands	43	34%	35	27%	50	39%
West Sussex	63	53%	9	8%	47	39%

Contract Area	Unqualified opinion	% Unqualified opinion	Opinion not yet issued or awaiting AGAR	% Opinion not yet issued or awaiting AGAR	Qualified opinion	% Qualified opinion
West Yorkshire	52	69%	4	5%	19	25%
Wiltshire	80	71%	1	1%	31	28%
Worcestershire	52	66%	1	1%	26	33%
Internal Drainage Boards	99	93%	2	2%	6	6%

Appendix B

Assertions in the Annual Governance Statements

Listed below are the assertions that members of an authority are required to confirm, to the best of their knowledge and belief, in respect to the Accounting Statements for the audit year.

1. We have put in place arrangements for effective financial management during the year, and for the preparation of the accounting statements.
2. We maintained an adequate system of internal control including measures designed to prevent and detect fraud and corruption and reviewed its effectiveness.
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.
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.
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.
6. We maintained throughout the year an adequate and effective system of internal audit of the accounting records and control systems.
7. We took appropriate action on all matters raised in reports from 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.
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.

Saaaa