The following pointshave been compiled by the audit suppliers and list the most common errors and questions by authorities when completing the Annual Governance and Accountability Return forms for 2018-19.

* Understanding of ‘exempt authority’ **-** exemption is only from external auditor review, all other statutory requirements remain.
* Change of clerk/email address not notified
* Self-employed clerks – authorities must be registered as employers with HMRC
* Numbers have been changed by crossing through or using correcting fluid without RFO’s initials.
* Transfers between their own bank accounts included as receipts and payments. This is simply an internal transfer and leads to an overstatement of receipts and payments.
* Cancelled cheques/refunds of expenditure being incorrectly included as income (these should be written back against Box 4/5/6 as appropriate)
* VAT debtors being incorrectly recognised in Box 3 for authorities on a receipts and payments basis – both bank reconciliation and Box 7-8 reconciliation errors
* Incorrect omission of items when calculating total income and expenditure for exemption certificate, e.g. loans received/grants received and spent in year/non-precept income/expenditure from reserves.
* Councils changing accounting basis from receipts and payments to income or expenditure during the year or vice versa - in one year Box 7 and 8 agree, and in the other they do not.
* Not considering prior year reporting issues when completing the AGAR, both in terms of amendments required to figures and repeat of approval errors.
* Asset revaluations not restated in prior year figures - most common example of prior year reporting issues being ignored.
* Narrative AND numerical explanation of variances not submitted (also lack of correlation of movements in Boxes 3/6/9 re asset additions and disposals) – most common reason for having to contact clerks during review process.
* Missed the submission deadline because didn’t want to submit AGAR until the deadline and then forgot about it. AGARs are reviewed in order of receipt.
* Intermediate documents not submitted with AGAR – all authorities over £200k are subject to intermediate review, almost all failed to send the required documentation despite no change to the instructions.
* Public rights period not compliant with Regulations
* Assertion 4 not ticked ‘No’ as advised in prior year report due to public rights period not having been compliant with Regulations in 2018
* Incorrect reconciling items between Boxes 7 and 8 – e.g. loans/deferred income; a number of loans came out of the woodwork this year.
* Trust fund disclosure responses not accurate (all sections) – many local councils not understanding that they are local councils

**Common queries:**

**Publication:** the only statutory publication requirement is to publish on a website (except for parish meetings without a website).

**Notice of Conclusion** – the legislation does not include a requirement for the length of time that the Notice must be published. Most have a specific area of the website for AGAR and accounts related items and keep the information published ad infinitum; there is no requirement for it to be publicly accessible for 5 years as for the AGAR and auditor report and certificate.

**Joint Committees -** Councils (usually in Northumberland) where joint committee income and expenditure has not been correctly treated – it must be apportioned between the consistent councils as per the PG – this treatment has not changed since JCs came out of the limited assurance regime.

**Funding to churches:** external auditors cannot provide advice; however, as there is no defined legal ruling against such assistance, the advice is that such expenditure cannot be regarded as definitely unlawful.