

Dear Practitioner,

I hope this letter finds you well and that you and your families are all managing to keep safe and carry on in these extraordinary times.

The purpose of my email is to clarify a few queries that have arisen since JPAG published its Practitioners Guide on 30 March 2020:

Communication

1. You will be aware that the Accounts and Audit (Coronavirus)(Amendment) Regulations 2020 (SI No.404) and accompanying explanatory memorandum have now come into effect, which has extended the AGAR reporting deadlines for 2019/20 by 2 months for all smaller authorities: <http://www.legislation.gov.uk/id/uksi/2020/404>. Step by step guides and flow charts explaining what needs to be done and by when are included as appendices in the Practitioners Guide, and the appointed auditors all have further guidance and instructions on their respective websites.
2. We understand that a few-authorities may not have received an email from their external auditor setting out the arrangements for this year's audit. We have reported this to SAAA and JPAGs Smaller Authorities Auditors Group representative. It is recommended that you make contact with your appointed external auditor as soon as possible, if you are in anyway unclear on the revised timetable. We would also encourage every authority to have its own email address, ideally a .gov domain which is owned by the authority rather than relying on the use of personal email addresses which can and do change regularly. For example, we would recommend something like clerk@nameofyourauthority.gov.uk. This will reduce the risk of email correspondence being sent to a previous RFO or Clerk and better ensure that the current Clerk always receives what they need from the external auditor at the appropriate time, moving forward.

Virtual Meetings

- 1) You will also be aware that separate regulations have been made to enable the meetings needed to approve the AGARs to be held remotely: <http://www.legislation.gov.uk/uksi/2020/392/contents/made>. Please note that these regulations do not include Parish Meetings in parishes that do not have a parish or town council. Nor do they include Internal Drainage Boards. It should therefore be possible for all Parish Councils to meet virtually before 31 August 2020 to approve their AGARs and it's important to note that approving the AGAR cannot be delegated to an individual or a committee - it must be the authority itself that meets to approve the AGAR. To be clear, as things stand, if this is not done before 31 August 2020, your authority risks receiving a qualified opinion *and incurring additional audit fees*.
- 2) Parish Meetings, in parishes that do not have a parish or town council, will still need to physically meet to approve their AGARs for 2019/20, but they now

have until 31 August 2020 to do so. MHCLG have agreed to keep the position of Parish Meetings under review, but to be absolutely clear as things currently stand, Parish Meetings must physically meet before 31 August 2020 to approve their AGARs, otherwise they risk receiving a qualified opinion and incurring additional audit fees.

- 3) Internal Drainage Boards (IDBs) can achieve the same thing as these separate regulations by applying to Defra to amend their Standing Orders, which will allow their meetings to be held remotely until 7 May 2021. It should therefore be possible for all IDBs to meet virtually before 31 August 2020 to approve their AGARs and it's important to note that approving the AGAR cannot be delegated to an individual or a Board committee - it must be the Board itself that meets to approve the AGAR. To be clear, as things stand, if this is not done before 31 August 2020, your Board risks receiving a qualified opinion and incurring additional audit fees.
- 4) I would like to encourage all smaller authorities that can, to use these new provisions to meet remotely and approve their AGARs for 2019/20 as soon as possible, but in any event before 31 August 2020. This will help the external auditors to manage the resources they have available to undertake limited assurance work over the extended June-November period.

Financial Year to which the Practitioners Guide relates

- 1) The Practitioners Guide for 2020/21 that was published in March 2020 must be used as the basis for preparing your AGARs for the 2020/21 financial year. However smaller authorities can elect to adopt the new Practitioners Guide early for 2019/20 if they so wish. Please note that if you decide to do this, you may need to Restate the figures for 2018/19 on the AGAR - your attention is drawn in particular to Line 4 and the treatment of Staff Costs, which has changed in the Practitioners Guide for 2020/21. If you do not want to use the Practitioners Guide for 2020/21 as the basis for completing your AGAR for 2019/20, you should use the Practitioners Guide for 2019/20 that was published by JPAG last year in March 2019.
- 2) JPAG will always publish a summary highlighting what's changed with every release of its Practitioners Guide. You can also search the guide electronically which is a pdf document using the basic Adobe Search tool. This should always help you to quickly find what you're looking for.

Signing the AGAR

- 1) You will need to ensure that the Internal Auditor, RFO, Clerk and Meeting Chair all sign the AGAR. Electronic signatures are not acceptable. We recommend that the AGARs are either posted or scanned to the respective signatories. They can then be signed and either posted back or scanned and emailed as an attachment by return. The signed AGAR can then either be posted or emailed as an attachment to the appointed external auditor.

- 2) It's important to note that the purpose of Internal Audit is not to check the figures that have been entered in section 2 of the AGAR and that the Internal Auditor does not therefore need to wait until the AGAR has been completed before they carry out their work (the Annual Internal Audit Report - AIAR). If you're not able to get your Internal Auditor to complete their work in time for the AGAR to be approved by 31 August 2020 I would encourage you to approve the AGAR before 31 August, but answer "no" to assertion 6 on the AGAR ("We maintained throughout the year an adequate and effective system of internal audit of the accounting records and control systems"). You should then supplement your answer of "no" with an explanation (published alongside your AGAR) explaining that the Internal Auditor was not able to complete their work due to the pandemic. It is also worth mentioning that most of the Internal Auditor's work can and should be done during the course of the financial year, moving forward.

Publication of the AGAR on websites

- 1) Scanned pdf documents do not comply with the Accessibility Regulations 2018. We therefore recommend that you state in your authority's Accessibility Statement that scanned pdf documents do not comply with the Accessibility Regulations but that these documents can be provided in an alternative format or on alternative media, on request.

Rights to Inspect the Accounts

- 2) Please note that electors do still have the right to inspect the Accounts 'in person'. Therefore should anyone insist on a physical inspection, you will need to make the appropriate arrangements and follow the latest government guidelines with respect to social distancing etc. Many public offices and buildings are now geared up and able to operate, whilst ensuring appropriate distancing. If you require any specific advice, please contact your national association.

If you would like any further clarification or guidance on the above or on any other related matter, please contact either myself directly or your sector's representative.

Yours faithfully

Phil Camamile

Chief Executive, Water Management Alliance & JPAG Chair

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