

SAAA Chairman's Communication – August 2021

A number of authorities have still not submitted their AGAR or Certificate of Exemption to the external auditor, even though they are required by legislation to approve their accounts by **30th June** and submit the AGAR to the external auditor.

A total of 870 authorities, including 540 Councils and 319 Parish Meetings, had not submitted by the end of July, and now in mid- August there are still **576** outstanding (6%), including 334 Councils. Whilst the vast majority (94%) have submitted, there appears no reason why the rest still remain outstanding.

Missing the deadline has cost consequences for the authority, as after 14 days a reminder will be sent at a cost of **£40**, a second reminder sent after a further 21 days will incur a further charge of **£40** - if there is still no response then the auditor may proceed to issue a statutory recommendation and ultimately a public Interest report, each of which will incur a charge to the authority of a minimum of **£200**. Charges for repeated failure to respond to the auditor could therefore cost the authority at least **£480 + VAT**.

A public interest report means that the authority has failed in its statutory duties to account to its taxpayers for the use and safeguarding of their money. Legislation requires that a public interest report must be considered at a public meeting within one month of the date of issue, and an authority must ensure that it complies with all requirements regarding publicity of the report, consideration at a meeting and publicity of decisions taken at that meeting

The issue of a statutory recommendation or public interest report for non-submission of the AGAR will also prevent an authority from certifying themselves as exempt in the following year, which will mean they will be required to have a limited assurance review at a minimum cost of £200.

As well as a failure to comply with the statutory requirement to account for its spending and provide for public rights for local electors to inspect the authority's accounts, a failure to submit an AGAR to the auditor can also incur significant avoidable costs which have to met by the community through the precept.

Those authorities that have still to approve their accounts and submit either an AGAR or Certificate Exemption to their appointed auditor are urged to do so without further delay to avoid the consequences of non-compliance.

Mike Attenborough-Cox

Chairman – Smaller Authorities' Audit Appointments