SAPPP
Smaller Authorities Proper Practices Panel

The role of the Smaller Authorities Proper Practices Panel (SAPPP) in setting Proper Practices for Smaller Authorities

Proper Practices are the standards of governance and accounting that Smaller Authorities must meet if their income or expenditure (whichever is highest) does not exceed a specified limit for three consecutive years. This limit was raised from £6.5 million to £15 million for financial years starting after 1 April 2025. The Smaller Authorities' Proper Practices Panel (SAPPP) is responsible for issuing these standards.

SAPPP includes representatives from the Association of Drainage Authorities (ADA), the National Association of Local Councils (NALC) and the Society of Local Council Clerks (SLCC), along with stakeholder partners. It has produced the Practitioners' Guide (Governance and Accountability for Smaller Authorities in England) since 2014. The publication is reissued annually with updated guidance.

The Practitioners' Guide is specified in Regulation 31 of the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003, to set out and describe proper accounting practices for Smaller Authorities. Section 2 of the Guide sets out Proper Practices for the preparation of the statement of accounts, which are relevant to the requirements in Regulation 11 of the Accounts and Audit Regulations 2015.

Section 1 of the Practitioners' Guide sets out Proper Practices for the preparation of the annual governance statement referred to in Regulation 6 of the Accounts and Audit Regulations 2015. This section addresses each assertion of the annual governance statement of the AGAR.

There is no statutory definition of the annual governance statement, required by Regulation 6(1)(b), other than a requirement that it must be prepared in accordance with Proper Practices. Therefore, SAPPP has a statutory discretion to decide what the annual governance statement includes and to provide the wording for each assertion. This discretion is limited only by conventional principles of public law; It must not conflict with a legal obligation the authority already has and must not include matters which are not relevant to an annual governance statement.

Within these boundaries, SAPPP has been granted specific authority, by the specification of the Practitioners Guide in the Regulation 31 of the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003, to set the content of the annual governance statement.

The changes to the 2025 version of the Practitioners' Guide, including a new Assertion 10 in the annual governance statement, represent good practice in relation to the UK GDPR principles and are consistent with recommendations by the ICO (including in its *Guide to Data Security* and *Bring Your Own Device (BYOD)* guidance).

Therefore, SAPPP have determined that this merits inclusion as a separate assertion within the AGAR. These additions to the annual governance statement do not conflict with other enactments and are an exercise of SAPPP's statutory discretion to determine the content of the annual governance statement for Smaller Authorities.

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