

JOINT PRACTITIONERS' ADVISORY GROUP | NOTES

Date	14 November 2024
Time	10.00 - 12.00
Location	Zoom

Item number	
1	<p>Attendees:</p> <p>Jennifer Bevan, CIPFA JB; Annie Child, SAAA AC; Ja'Neen Day, WALCA (NALC Representative) JD; Derek Kemp, Chair DK; Alan Mellor, SLCC (Chair) AM; Mark Mulberry, IAF MM; Carolyn Rossiter, SAAG (NAO Representative) CR. Claire Reed, secretariat CLR.</p> <p>Apologies: Sallyanne Jeffrey, ADA SJ; Andrew Kendrick, NAO AK.</p>
2	<p>Declarations of Interest:</p> <p>DK declared an interest in any discussions relating to statements of accounts at year end.</p>
3	Notes from the meeting held on 27 June 2024. Agreed
4	<p>Recommendations from JPAG Working Party (31.10.24):</p> <ul style="list-style-type: none"> It was agreed to change the panel's name to Smaller Authorities Proper Practices Panel (SAPPP). It was agreed to adopt the rewritten Terms of Reference as presented at the meeting. It was agreed to split the Practitioners' Guide into two separate documents; <i>Smaller Authorities Proper Practices</i> (legal requirements) and <i>Guide to Smaller Authorities Proper Practices</i> ('how to' guide for practitioners which could include explainer videos etc.). It was agreed to commission a consultation on the current Proper Practices including the proposal to require the production of a set

	<p>of accounts (to be defined). This will inform the March 2026 guide.</p> <p>Action: JB agreed to speak to Ian Murray at CIPFA to see if there would be interest in carrying out the consultation/ re-write of the Proper Practices.</p> <ul style="list-style-type: none"> ▪ It was agreed to submit a funding request to SAAA for the commissioning of the rewrite of the Proper Practices and new guide to the Proper Practices. Action: CLR, AC, DK. ▪ It was agreed to commission a full review of the AGAR forms to support a complete redesign prior to digitisation. ▪ Members confirmed that JPAG will not have a dedicated website at present – to be reviewed in 12 months. ▪ It was agreed to adopt the Action Plan. It was noted that there will be implications for core member bodies such as changes to training and the need for additional communications. This will also impact EA/IAs and there may also need to be changes to accounting systems.
4	<p>Reserves (5.204 p.56) It was agreed to amend to: <i>As authorities have no legal powers to hold revenue reserves other than those for reasonable working capital needs, or for specifically earmarked purposes, whenever an authorities year-end general reserve is <u>outside the parameters specified in 5.34 then an explanation should be provided to the auditor.</u></i></p> <p>Recommendations for changes to the Practitioners’ Guide from TWG (16.10.24 & 30.10.24):</p> <ul style="list-style-type: none"> ▪ It was agreed to include a new assertion 10 on digital and data compliance (gov.uk): <i>By 31 March 2027, all parish councils (excluding parish meetings) with a precept of over £10,000 must use the gov.uk domain for their websites and emails. The use of personal email addresses or free accounts is not acceptable.’</i> Additional guidance will be added to Section 5. ▪ 3rd Party Borrowing (p.32) – It was agreed to amend Internal Audit Checklist, point H to: <i>‘Ensure that the outstanding loan liability as at 31st March each year is correctly recorded in the AGAR at Section 2, line 10 (value should be verified <u>from the lender and verification provided to the IA by the Clerk/RFO).</u>’</i>

- **Changing from R&P to I&E (2.9 (a) p.17)** – It was agreed to add: *‘Authorities may wish to seek assistance’* at the end of 2.9 (a) and renumber as 2.9.1. It was noted that it is difficult to set out the procedure as it is different for each council.
- **References to Parish Councils/ Councillors** – It was agreed to amend to: *‘smaller authorities/ members.*
- **Cross referencing (p14/21)** – It was agreed to update references: 1.44 refers to 2.30, change to 2.31; 2.31 refers to 1.41 change to 1.44.
- **24 hours' notice (5.83 p.43)** – It was agreed to amend to: *‘it must give at least a day’s notice of commencement...’.*
- **Short-term investments (2.22 (b) p.20)** - It was agreed to amend to: *‘be realisable at full value on demand or have a maturity end date of not more than 12 months.’*
- **Long-term investments (2.25 p.20)** - It was agreed to amend to: *‘This cell shows the value of all the fixed assets, long-term investments and debtor long-term loans the authority owns.’*
- **Refunds and reimbursements (p.17)** – It was agreed to add numbering 2.9.2, to paragraph ‘Treatment of amounts refunded/ reimbursed’.
- **Joint committees with no separate bank account reporting on a R & P basis (2.10.1, p.17)** - It was agreed (post meeting) to add additional paragraph: *For a ‘Lead’ Authority operating a Joint Committee whose accounts are prepared on a Receipts & Payments basis, all transactions both in & out should be recorded gross in the accounts and there should be no netting off. Action: AM to provide wording.*
- **Segregation of duties (1.9, p.9)** - It was agreed to add the sentence: *‘The proper segregation of duties means that the Chairman of the authority or of the Finance Committee should never be appointed (even on a short-term basis) either as Clerk or as RFO; other councillors may perform these roles on a short-term basis providing appropriate safeguards are in place or if their appointment is unavoidable to ensure statutory functions continue to be fulfilled.’* after ‘Local Government Act 1972.’

- **Council on R & P basis with a trust fund but no separate account (5.116 p.46-47)** - It was agreed to add the paragraph at the end: *'Where the authority finds itself in this position, it should give a 'no' response to 11b which will trigger a qualification in relation to accounts preparation and a 'no' response to Assertion 9 on the Annual Governance Statement.'*
- **Illustrative Dates** – It was agreed to change all dates to 20xx format.
- **Meetings of the authority when it is acting as charity trustee (5.118, p.47)** - It was agreed to amend to: *Meetings of the authority when it is acting as charity trustee must take place separately from those of the authority acting as the authority; it is suggested that a separate committee is established.*
- **Transparency Code/ FOI (5.74 - 5.77, p.43)** - It was agreed to amend the section to:

5.74 The Freedom of Information Act places a duty on every public authority to adopt and maintain a publication scheme which details the publication of information by the authority and is approved by the Commissioner; adoption of the ICO model publication scheme meets this requirement.

5.75 In addition to this the Transparency Code for Smaller Authorities requires parish councils, internal drainage boards, charter trustees and port health authorities with an annual turnover not exceeding £25,000 to publish certain information set out in the code. This enables local electors and local taxpayers to access relevant information about the authority's accounts and governance.

5.76 Smaller Authorities with total turnover or expenditure greater than £25,001 should as best practice comply with the Local Government Transparency Code 2015; the government believes that in principle all data held and managed by local authorities should be made available to the public unless there are specific sensitivities to doing so.

5.77 Monitoring an authority's compliance with the relevant transparency code is not part of the external auditor's limited

	assurance review of the AGAR. It would however be expected that internal auditors would review this control area.
5	Boxes 11a and b (Trusts) as proposed by SAAA & NAO. This item was not discussed. Action: AK to circulate a paper on the proposals.
6	CIPFA consultation on internal audit. Code of Practice for the Governance of IA in Local Govt CIPFA It was noted that SAAA have responded. JB agreed to seek clarification on the wording "applies to all UK local government bodies" as used in the Internal Audit Code presentation. Action: JB

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