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AGAR 2022/23

This briefing note is to support councils in the preparation of the Annual Governance and Accountability Return (AGAR) for the financial year ended 31 March 2023.

The external audit companies have been in contact with local councils over the last week and have made available the AGAR and template supporting documents on their websites.

For the avoidance of doubt, the external auditors have been appointed as below for the areas covering our internal audit clients:

BDO – Dorset, Hampshire

Mazars – Kent

Moore – Oxfordshire, West Sussex

PKF Littlejohn – Berkshire, Buckinghamshire, Devon, East Sussex, Essex, Herefordshire, Hertfordshire, Suffolk, Surrey, Wiltshire

Changes for 2022/23

Annual Internal Audit Report

This document covers the Internal Control Objectives and is completed by the Internal Auditor following the year-end visit.

There has been a change in the wording of Internal Control Objective L which will affect the way the internal auditor responds to the statement.

On the 2021/22 AGAR, it read:

The authority publishes information on a free to access website/webpage up to date at the time of the internal audit in accordance with any relevant transparency code requirements.

On the 2022/23 AGAR, it now reads:

The authority published the required information on a website/webpage up to date at the time of the internal audit in accordance with the relevant legislation.

There is no direct mention of the transparency code requirements, but a reference to ‘relevant legislation’.

- The Transparency Code for Smaller Authorities (relevant to councils with turnover under £25,000) **remains a statutory requirement** and compliance will be tested under this Internal Control Objective.
- The Local Government Transparency Code (relevant to councils with turnover exceeding £200,000) remains recommend best practice. Compliance may be commented on within our full written report but is not tested under this Internal Control Objective.
- The Accounts and Audit Regulations apply to **all councils** and include the following requirements:
 - 13(1)** An authority must publish (which must include publication on that authority’s website)
 - (a) the Statement of Accounts together with any certificate or opinion entered by the local auditor in accordance with section 20(2) of the Act; and
 - (b) the Annual Governance Statement approved in accordance with regulation 6(3)
 - 13(2)** Where documents are published under paragraph (1), the authority must
 - (a) keep copies of those documents for purchase by any person on payment of a reasonable sum; and
 - (b) ensure that those documents remain available for public access for a period of not less than five years beginning with the date on which those documents were first published in accordance with that paragraph.

Therefore, all councils must ensure that sections 1, 2 and 3 of the AGAR for the last five years are published on their website, and for councils with a turnover under £25,000 you must comply with the requirements of the [Transparency Code for Smaller Authorities](#) to meet the requirements of this control objective.

Accounting Statements

Question 11 on the accounting statements has also changed for 2022/23 to attempt to provide greater clarity on the required response.

In previous years, the question was phrased as below:

11. (For Local Councils Only) Disclosure note re Trust Funds (including charitable)	Yes	No	N/A	The Council, as a body corporate, acts as sole trustee for and is responsible for managing Trust funds or assets.
				N.B. The figures in the accounting statements above do not include any Trust transactions.

This created some ambiguity as to which box to correctly tick to provide an accurate response.

For 2022/23, the question has been split into two parts as below:

For Local Councils Only	Yes	No	N/A	
11a. Disclosure note re Trust Funds (including charitable)				The Council, as a body corporate, acts as sole trustee for and is responsible for managing Trust funds or assets.
11b. Disclosure note re Trust Funds (including charitable)				The figures in the accounting statements above do not include any Trust transactions.

For **11a**, simply tick 'Yes' if the council acts as a sole trustee or 'No' if they don't.

For **11b**, if you answered 'Yes' to 11a, then answer 'Yes' or 'No' – *the correct response should be 'yes' as the trust transactions should be on a separate bank account and not be included within the councils AGAR*

If you answered 'No' to 11a, then the correct response to 11b is 'N/A'.

We look forward to seeing you at your internal audit visits over the coming months. If you have not yet booked your internal audit date, please contact Anna as a matter of urgency via anna@mulberryandco.co.uk or on 03303 450596.

If you have any questions in advance of your audit visit, please feel free to contact us

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