

## Annual Governance and Accountability Return 2022/23 Form 3

To be completed by Local Councils, Internal Drainage Boards and other Smaller Authorities<sup>1</sup>

- where the higher of gross income or gross expenditure exceeded £25,000 but did not exceed £2.5 million; or
- where the higher of gross income or gross expenditure was £25,000 or less but that:
  - are unable to verify themselves as exempt (see payable); or
  - have requested a limited assurance review (see payable)

### Guidance notes on completing Form 3 of the Annual Governance and Accountability Return 2022/23

1. Every smaller authority in England that either received gross income or incurred gross expenditure exceeding £25,000 must complete Form 3 of the Annual Governance and Accountability Return at the end of each financial year in accordance with Proper Practice.
2. The Annual Governance and Accountability Return is made up of three parts, pages 1 to 3:
  - The Annual Internal Audit Report must be completed by the authority's internal auditor
  - Sections 1 and 2 must be completed and approved by the authority
  - Section 3 is completed by the external auditor and will be returned to the authority
3. The authority must approve Section 1, Annual Governance Statement, before approving Section 2, Accounting Statements, and both must be approved and published on the authority website webpage before 1 July 2023.
4. An authority with either gross income or gross expenditure exceeding £25,000 or an authority with neither income nor expenditure exceeding £25,000, but which is unable to verify itself as exempt, or is requesting a limited assurance review, must return to the external auditor by email or post (not both) no later than 30 June 2023. Non-compliance will incur a charge of £400 per day:
  - the Annual Governance and Accountability Return Sections 1 and 2, together with
  - a late declaration as at 31 March 2023
  - an explanation of any significant year on year variances in the accounting statements
  - notification of the commencement date of the period for the exercise of public rights
  - Annual Internal Audit Report (AIAIR)

Unless requested, do not send any additional documents to your external auditor. Your external auditor will ask for any additional documents needed.

Once the external auditor has completed the limited assurance review and is able to give an opinion, the Annual Governance and Accountability Statement, Section 2 and Section 3 – Internal Auditor Report and Certificate will be returned to the authority by email or post.

### Publication Requirements

Under the Accounts and Audit Regulations 2015, authorities must publish the following information on the authority website webpage:

Before 1 July 2023 authorities must publish:

- Notice of the period for the exercise of public rights and a declaration that the accounting statements are as set out/true;
- Section 1 – Annual Governance Statement 2022/23, approved and signed, page 1
- Section 2 – Accounting Statements 2022/23, approved and signed, page 1

Before 30 September 2023 authorities must publish:

- Notice of conclusion of audit
- Section 3 – External Auditor Report and Certificate
- Sections 1 and 2 of AGAR including any amendments as a result of the limited assurance review

It is recommended as best practice, to avoid any potential confusion by local electors and interested parties, that you also publish the Annual Internal Audit Report, page 3.

**Additional Information** See Form 3 of the Annual Governance and Accountability Return 2022/23 for more information. To find out more, visit <https://www.gov.uk/government/consultations/annual-governance-and-accountability-returns-2022-23>

This document is available for use by smaller authorities who are subject to the Local Audit and Accountability Act 2014.