



NORFOLK PARISH TRAINING & SUPPORT

Transparency for Smaller Exempt Councils

What is a smaller exempt council?

Councils where neither gross receipts nor gross payments for the financial year exceed £25,000.

Two sets of rules

There are two sets of special rules for these councils: the requirement to comply with the Transparency Code for Smaller Authorities and 'exempt authority' status. The Transparency Code for Smaller Authorities ('the Code') became mandatory on 1 April 2015. It applies to all 'under £25,000' councils whether or not they choose to become 'exempt authorities'.

What you must do in relation publication of information

The Code requires all 'under £25,000' councils to publish certain information on a freely accessible website (not necessarily a dedicated council website but obviously councils will wish to consider issues of control and access if they use someone else's website).

The first category of information relates to information about meetings. Councils must publish minutes, agendas and 'associated meeting papers' of all council, committee and sub-committee meetings on the website. Agendas and meeting papers must be published at least three clear days before the meeting. Minutes or draft minutes must be published not later than one month after the meeting. There is no objection to publishing draft (unapproved) minutes as long as they are clearly marked as such; they should be replaced by approved minutes shortly after the meeting at which they were approved.

The Code does not say how long agendas, minutes and papers should remain on the website but the template guide to information published by the Information Commissioner's Office in relation to a Publication Scheme says 'current and previous council year'.

The rest of the information relates to a financial year and must be published on the website by 1 July* following the end of the financial year. The information is:

- The approved and signed AGAR (Annual Governance Statement – Section 1 and Accounting Statements – Section 2), and the internal auditor's report page from the AGAR.
- The year-end bank reconciliation and explanation of significant variances.

- A list of all payments over £100 (date incurred, summary of purpose, amount and VAT that cannot be recovered).
- A list of 'councillor responsibilities', such as member of the Playing Fields Committee, Trustee of the Village Hall, member of the Norfolk Day working group.
- Details of the council's land and building assets (description, location, owner/custodian, date and cost of acquisition and present use).

The Code sets out what details of expenditure, councillor responsibilities and land and building assets are required. However, the Code does not say how long financial information must remain on a website but it would be sensible to have information for the most recent financial year and the preceding one.

How must you deal with 'Exemption'?

'Exempt authorities' (see below) do not have an audited Annual Return (called the AGAR) but they must publish the unaudited (but approved and signed) AGAR by 1 July* as part of the requirements of the Transparency Code for Smaller Authorities.

A decision to certify as an exempt authority must be made at a full council meeting and the council must publish a notice stating that it has taken this decision and explain the effect of the decision.

An exempt authority must still prepare the AGAR and have it approved at a Full Council meeting by 30 June**, publish the approved and signed Annual Return on a website (by 1 July at the latest*) and advertise electors' rights. The RFO must also publish a statement to state that the accounts will not be audited unless an elector makes an objection to the accounts.

Councils which certify as exempt authorities must notify the SAAA Ltd (1) that they are exempt authorities. SAAA Ltd will not appoint an external auditor for an exempt authority unless an elector makes an objection and if this does happen the external auditor's work will be limited to dealing with the objection.

(1) The 'sector led body' is called the Smaller Authorities' Audit Appointments Ltd ('SAAA Ltd'). SAAA Ltd will essentially perform the procurement function formerly performed by the Audit Commission. In other words it will provide an external auditor for any town or parish council which has not 'opted out' and will also set the audit fees for such an auditor.