

Monk Fryston Parish Council

NOTICE OF MEETING

I hereby give notice that a meeting of the Parish Council of the above named Parish will be held at the Church Hall, Church Lane on Wednesday 17 February 2016 at 7.30pm

All members of the Council are hereby summoned to attend for the purpose of considering and resolving upon the business to be transacted at the meeting. Dated this 11 February 2016

AGENDA

Item		Lead
1	To receive apologies for absence	
2	To receive declarations of interest	
3	Confirmation of Minutes	
	a To confirm the Minutes of the Meeting held on 20th February 2016	
4	To receive District Councillor(s) update	-
5	Planning	Chair
	1) An approval notice has been received for the proposed 2No. dormer windows to new study, Brecks Farm, Selby Road, Monk Fryston	
6	Finances	Clerk
	a Authorised payments since last meeting:	
	1 Clerks SO salary payment	
	b Current Account	
	Current Account as Statement to 1 February 2016	£12,099.95
	Previous Balance	£13,289.95
	Cash received	£00.00
	Cheques issued and cleared	£1,190.00
	Cheques not cleared	£162.00
	Cash available when all cheques cleared	£11,937.95
	c Savings Account	
	Savings Account balance before January 2016 interest	£14761.16
	d Future Commitments / Income	
	Liabilities as set out in Balance Sheet schedule	(-) £12,785.53
	Creditors	(+) £1,693.97
	Total Commitments (-) / Income (+)	(-) £11,091.56
	e Cash Book	
	Cash Book Balance at 8 February 2016	£11,937.95

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Item		Lead
	<p>f Current Account / Cash Book Reconciliation The 'Cash available when all cheques cleared' (b above) reconciles with the 'Cash Book balance when all cheques cleared' (e above)</p> <p>g Expenditure / Budget comparison The comparative expenditure through to the end of January was £17183.23 against a forecast of £17,340.00.</p> <p>h Audit Control Councillors to confirm that they are satisfied that the above demonstrates that the PC is maintaining an effective system of audit and control including taking account of commitments and liabilities as required by the annual audit.</p>	
7	Clerks Update	Clerk
	<p>a The new bins have been installed in the two lay-by's on the A63</p> <p>b The 'transparency' grant application has been turned down.</p> <p>c The new bench has been ordered to replace the one damaged at the top of Mill Close</p>	
8	Motions (<i>in bold italic</i>)	Various
	<p>a <i>to make payments in accordance with payments schedule</i> (issued under separate cover)</p> <p>b <i>To agree the Vehicle Activated Signage Hire Agreement between the PC and NYCC</i> (issued under separate cover)</p> <p>c <i>To agree which end of the village is to be used for the first deployment of the VAS.</i></p> <p>d <i>To opt in to the new Sector Led Body (SLB) audit regime set up under the Local Audit and Accountability Act 2014 legislation.</i> (papers issued under separate cover)</p> <p>e <i>To appoint Malcolm Walton as the internal auditor for the accounts for the current financial year. Appointment to be in accordance with the PC's previously agreed terms of reference.</i></p> <p>f <i>To spend up to £60 to extend the website hosting for the next 2 years</i></p> <p>g <i>To spend up to £300 to provide a litter bin in the lay-by on Fryston Common Lane</i></p> <p>h <i>To approve the draft of the latest Newsletter and the expenditure associated with it.</i></p> <p>i <i>To agree expenditure for spring planting</i></p>	<p>Clerk</p> <p>Cllr BH</p> <p>Cllr BH</p> <p>Cllr BH</p> <p>Cllr BH</p> <p>Cllr SW</p> <p>Cllr SW</p> <p>Cllr SW</p> <p>Cllr SW</p>
9	Discussion Items	
	<p>a Provision of notices relating to dog and litter fouling.</p> <p>b Responsibility for the PC's website following the introduction of the mandatory requirements of the 'Transparency Act'</p> <p>c The siting of the PC's letterbox</p> <p>d Third party articles in Newsletters</p>	<p>Cllr SW</p> <p>Cllr BH</p> <p>Cllr SW</p> <p>Cllr BH</p>
10	Updates	Various
	a Burial Committee	Cllr MJ

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Item		Lead
	<ul style="list-style-type: none"> b Community Association. c A63 Traffic Calming. d A63/ Quarry land. e Street Lighting Working Party. f Planting Working Party. g MFPC/HPC liaison group. h A63 school crossing patrol. i Oak Tree Farm 	<ul style="list-style-type: none"> Cllr NS Cllr BH Clerk Cllr BH Cllr SW Cllr BH Clerk Clerk
11	Correspondence	
	<p style="text-align: center;">POST IN</p> <ul style="list-style-type: none"> a SDC Invoice for bins b The Royal British Legion: donation request c Wicksteed Playgrounds unsolicited mail d HMRC payment booklet and envelopes e Nigel Adams MP: information poster for Notice Board f Glasdon: unsolicited mail g Yorkshire Bank statement <p style="text-align: center;">POST OUT</p> <ul style="list-style-type: none"> a HMRC paye payment 	
12	Items For Next Meeting	All
	<ul style="list-style-type: none"> a Items to be with Clerk before 8 March for next meeting on 16 March 	

SCHEDULE OF PAYMENTS		Meeting 17 February 2016			
Payee	Invoice No	Amount	Vat	Item	Cheque
Selby District Council	4057262	633.67	incl	2no. Litter bins	960
Total		£633.67			

DATED

12^h January 2016

**VEHICLE ACTIVATED SIGNAGE
HIRE AGREEMENT**

between

NORTH YORKSHIRE COUNTY COUNCIL

and

MONK FRYSTON PARISH COUNCIL

THIS AGREEMENT is dated

12th January 2016

PARTIES

- (1) North Yorkshire County Council of County Hall, Northallerton, North Yorkshire, DL7 8AD (**Lessor**).
- (2) MONK FRYSTON PARISH COUNCIL, NORTH YORKSHIRE (**Lessee**).

AGREED TERMS

1. INTERPRETATION

- 1.1 The definitions and rules of interpretation in this clause apply in this agreement.

Business Day: a day (other than a Saturday, Sunday or public holiday) when banks in London are open for business.

Commencement Date: the date that the Lessee takes Delivery of the Equipment.

Delivery: the transfer of physical possession of the Equipment to the Lessee at the Site.

Equipment: means the vehicle activated sign with attached pole and attached solar power source, all substitutions, replacements or renewals of such equipment and all related accessories, manuals and instructions provided for it.

Payment Schedule: Schedule 1 which sets out the sums payable under this agreement.

Site: as agreed on site

Rental Period: the period of hire as set out in clause 3.

Total Loss: due to the Lessee's default the Equipment is, in the Lessor's reasonable opinion or the opinion of its insurer(s), damaged beyond repair, lost, stolen, seized or confiscated.

- 1.2 Clause, schedule and paragraph headings shall not affect the interpretation of this agreement.
- 1.3 A **person** includes a natural person, corporate or unincorporated body (whether or not having separate legal personality).
- 1.4 The schedules form part of this agreement and shall have effect as if set out in full in the body of this agreement and any reference to this agreement includes the schedules.
- 1.5 Unless the context otherwise requires, words in the singular shall include the plural and vice versa.
- 1.6 Unless the context otherwise requires, a reference to one gender shall include a reference to the other genders.
- 1.7 A reference to a statute or statutory provision is a reference to it as it is in force for the time being, taking account of any amendment, extension or re-enactment, and includes any subordinate legislation for the time being in force made under it.
- 1.8 A reference to **writing** or **written** includes faxes but not e-mail.

1.9 References to clauses and schedules are to the clauses and schedules of this agreement. References to paragraphs are to paragraphs of the relevant schedule.

1.10 Any words following the terms including, include, in particular or any similar expression shall be construed as illustrative and shall not limit the sense of the words, description, definition, phrase or term preceding those terms.

2. EQUIPMENT HIRE

2.1 The Lessor shall hire the Equipment to the Lessee for use at the Site for four years during the Rental Period in accordance with Schedule 2 subject to the terms and conditions of this Agreement.

2.2 The Lessor shall not, other than in the exercise of its rights under this Agreement or applicable law, interfere with the Lessee's quiet possession of the Equipment.

3. RENTAL PERIOD

The Rental Period starts on the Commencement Date and shall continue for a period of four (4) years unless this Agreement is terminated earlier in accordance with its terms.

The Equipment during the Rental Period shall be rotated as per the Rotation Plan at Schedule 2. The Lessee shall receive a guaranteed deployment of eighteen (18) weeks per annum. All dates in Schedule 2 are subject to change as to dates of deployment.

4. PAYMENTS

4.1 The Lessee shall pay all the charges set out in the Payment Schedule to the Lessor .

4.2 All payments are exclusive of VAT and any other applicable taxes and duties or similar charges which shall be payable by the Lessee at the rate and in the manner from time to time prescribed by law.

4.3 All payments to be made by either party under this Agreement shall be made without withholding or set-off on account of disputes, counterclaims or for any other reason whatsoever.

4.4 The Lessee shall be allowed to defer the payment sums due in the year 2015/16 such payments due to the Lessor being added without the addition of interest to the sums due to the Lessor over the following three years of this Agreement. Such payments to be made by way of annual payment by the lessee -such annual payment to be made on 1st April of each year of this Agreement. Or

4.5 The Lessee shall make all payments due under the Payment Schedule at the commencement of this Agreement. Or

4.6 The Lessee shall make the first payment by way of an annual payment for the year 2015/16 and shall make the further payments over the following three years such amounts being paid annually and paid on 1st April of each year of this Agreement.

4.7 The Lessee must confirm in writing to the Lessor at least seven days before signing this Agreement which of the three payment options the Lessee wishes to utilise. Schedule 1 of this Agreement will reflect the payment option selected by the Lessee.

4.8 Once the Lessee has selected a payment option the Lessee must abide by the terms of this payment option for the duration of the Agreement, The Lessee will not be permitted to nominate another payment option once the Lessee has confirmed a payment option with the Lessor

4.9 Should this Agreement terminate for any reason the Lessor shall be entitled to claim in full and within 14 days of termination any payments due under this Agreement,

5. DELIVERY AND INSTALLATION

5.1 Delivery of the Equipment shall be made by the Lessor. The Lessor shall use all reasonable endeavours to effect Delivery by the date and time agreed between the parties.

5.2 The Lessor shall at the Lessee's expense install and remove the Equipment at the Site in accordance with Schedule 2.

6. TITLE & RISK

6.1 The Equipment shall at all times remain the property of the Lessor, and the Lessee shall have no right, title or interest in or to the Equipment (save the right to possession and use of the Equipment subject to the terms and conditions of this agreement).

6.2 The risk of loss, theft, damage or destruction of the Equipment shall at all times remain with the Lessor who shall take out adequate insurance to protect against such risks.

6.3 The Lessee shall give immediate written notice to the Lessor in the event of any loss, accident or damage to the Equipment or arising out of or in connection with the Lessee's hire of the Equipment.

7. LESSEE'S RESPONSIBILITIES

7.1 The Lessee shall during the term of this agreement:

- (a) not use the Equipment for any unlawful purpose;
- (b) not do or permit to be done anything which could invalidate the insurances referred to in clause 6.

8. WARRANTY

8.1 The Lessor warrants that the Equipment shall substantially conform to its specification (as made available by the Lessor), be of satisfactory quality and fit for the purpose held out by the Lessor. The Lessor shall use reasonable endeavours to remedy, free of charge, any material defect in the Equipment which manifests itself during the Rental Period.

8.2 Insofar as the Equipment comprises or contains equipment or components which were not manufactured or produced by the Lessor, the Lessee shall be entitled only to such warranty or other benefit as the Lessor has received from the manufacturer.

9. LIABILITY

- 9.1 Without prejudice to clause 9.2, the Lessor's maximum aggregate liability for breach of this agreement (including any liability for the acts or omissions of its employees, agents and subcontractors), whether arising in contract, tort (including negligence), misrepresentation or otherwise, shall in no circumstances exceed the total value of any payments made in accordance with the Payment Schedule.
- 9.2 Nothing in this Agreement shall exclude or in any way limit:
- (a) either party's liability for death or personal injury caused by its own negligence;
 - (b) either party's liability for fraud or fraudulent misrepresentation; or
 - (c) liability for any breach of the terms implied by section 8 of the Supply of Goods (Implied Terms) Act 1973 or any other liability which cannot be excluded by law.
- 9.3 This Agreement sets forth the full extent of the Lessor's obligations and liabilities in respect of the Equipment and its hiring to the Lessee. In particular, there are no conditions, warranties or other terms, express or implied, including as to quality, fitness for a particular purpose or any other kind whatsoever, that are binding on the Lessor except as specifically stated in this Agreement. Any condition, warranty or other term concerning the Equipment which might otherwise be implied into or incorporated within this Agreement, whether by statute, common law or otherwise, is expressly excluded.

10. TERMINATION

- 10.1 The Lessor may, without prejudice to any other right or remedy which may be available to it, terminate this agreement immediately by written notice to the Lessee if:
- (a) the Lessee defaults in any of its payment obligations;
 - (b) the Lessee commits a material breach of this agreement which breach is irremediable, or which breach (if remediable) is not remedied within ten (10) Business Days after the service of written notice from the Lessor requiring it to do so;
 - (c) the Lessee becomes insolvent.
- 10.2 This Agreement shall automatically terminate if a Total Loss occurs in relation to the Equipment.
- 10.3 Upon termination of this Agreement, however caused:
- (a) the Lessor's consent to the Lessee's possession of the Equipment shall terminate and the Lessor may, by its authorised representatives, without notice, retake possession of the Equipment and for this purpose may enter the Site or any premises at which the Equipment is located; and
 - (b) without prejudice to any other rights or remedies of the Lessee, the Lessee shall pay to the Lessor on demand all sums due but unpaid at the date of such demand;

10.4 Termination of this Agreement shall be without prejudice to the rights and obligations of the parties accrued up to the date of termination.

11. FORCE MAJEURE

Neither party shall be in breach of this Agreement nor liable for delay in performing, or failure to perform, any of its obligations under this agreement if such delay or failure result from events, circumstances or causes beyond its reasonable control.

12. CONFIDENTIAL INFORMATION

12.1 Neither party shall, during and after termination of this Agreement, without the prior written consent of the other party, use or disclose to any other person any information of the other party which is identified as confidential or which is confidential by its nature other than in accordance with the Freedom of Information Act 2000 or any other lawful demand for disclosure.

13. ASSIGNMENT AND SUBCONTRACTING

13.1 The Lessee shall not, without the prior written consent of the Lessor, assign, transfer, or deal in any other manner with this Agreement.

13.2 The Lessor may sub-contract its obligations under this contract to anybody without the consent of the Lessee.

14. ENTIRE AGREEMENT AND VARIATION

14.1 This Agreement constitutes the whole Agreement between the parties and supersedes all previous agreements between the parties relating to its subject matter.

14.2 Each party acknowledges that, in entering into this Agreement, it has not relied on, and shall have no right or remedy in respect of, any statement, representation, assurance or warranty (whether made negligently or innocently) other than as expressly set out in this Agreement. Each party agrees that its only liability in respect of those representations and warranties that are set out in this Agreement (whether made innocently or negligently) shall be for breach of contract.

14.3 Nothing in this clause shall limit or exclude any liability for fraud or for fraudulent misrepresentation.

14.4 No variation of this Agreement shall be effective unless it is in writing and signed by the parties (or their authorised representatives).

15. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

15.1 A person who is not a party to this agreement shall not have any rights under or in connection with it by virtue of the Contracts (Rights of Third Parties) Act 1999

16. NOTICES

16.1 Any notice or other communication required to be given under this agreement, shall be in writing and shall be delivered personally, or sent by pre-paid post or recorded delivery or by commercial courier, to each party required to receive the notice or communication.

16.2 Any notice or other communication shall be deemed to have been duly received:

- (a) if delivered personally, when left at the address and for the contact referred to in this clause;
- (b) if sent by commercial courier, on the date and at the time of signature of the courier's delivery receipt; or
- (c) if sent by pre-paid post or recorded delivery, 9.00 am on the second Business Day after posting.

17. NO WAIVER

No failure or delay by a party to exercise any right or remedy provided under this Agreement or by law shall constitute a waiver of that or any other right or remedy, nor shall it preclude or restrict the further exercise of that or any other right or remedy. No single or partial exercise of such right or remedy shall preclude or restrict the further exercise of that or any other right or remedy.

18. SEVERANCE

18.1 If any court or competent authority finds that any provision of this Agreement (or part of any provision) is invalid, illegal or unenforceable, that provision or part-provision shall, to the extent required, be deemed to be deleted, and the validity and enforceability of the other provisions of this Agreement shall not be affected.

19. GOVERNING LAW AND JURISDICTION

19.1 This Agreement and any dispute or claim arising out of or in connection with it or its subject matter shall be governed by and construed in accordance with English law.

This Agreement has been entered into on the date stated at the beginning of it.

Schedule 1 Payment Schedule

The Lessee shall make the first payment by way of an annual payment for the year 2016/17 and shall make the further payments over the following three years such amounts being paid annually and paid on 1st April of each year of this Agreement.

£4000 to pay over 4 years

Schedule 2 Rotation Plan (provisional)

The Equipment shall be installed at the Site during the following periods:

<u>Period</u>	<u>Installation date</u>	<u>Removal date</u>
Period 1	Dates to be confirmed on receipt of signed agreement	
Period 2		
Period 3		
Period 4		
Period 5		
Period 6		
Period 7		
Period 8		
Period 9		
Period 10		
Period 11		
Period 12		

The Lessor may for any reason amend the Installation and Removal dates by notice to the Lessee.

Signed by a duly authorised
representative of North Yorkshire
County Council

.....
Authorised Signatory

Signed by

.....
Authorised Signatory

And

.....
Authorised Signatory

for and on behalf of Monk Fryston
Parish Council.

Bill Holmes

From: YLCA Admin <Admin@Yorkshirelca.gov.uk>
Sent: 20 January 2016 11:38
To: clerk@monkfrystonparishcouncil.net
Subject: Monk Fryston Parish Council - Changes to the External Audit Regime (Our Ref: Jan74)

FROM: JOY MORGAN
ADMIN OFFICER
YORKSHIRE LOCAL COUNCILS ASSOCIATIONS

Dear Mr Scott,

Thank you for your e-mail of 6 January in which you seek advice on behalf of Monk Fryston Parish Council regarding changes to the external audit regime.

In confirmation - all councils, no matter what their income or expenditure, will need to complete the Annual Return. Those councils with a turnover under £25,000 will not need to have this externally audited; they will use their website to display the information to the public. However, an external auditor will still be appointed for them by the SLB (assuming that a council remains opted-in), for the purposes of dealing with any issues or complaints that may be made by the public resulting from the formal public inspection period. Hence, Monk Fryston Parish Council will need to decide whether it is to remain opted in or to take action to opt out because it will have to have an external auditor.

I hope this information answers your query. Please do not hesitate to contact us if you require any further assistance.

Yours sincerely
Joy Morgan

Yorkshire Local Councils Associations, York House, Outgang Lane, Osbaldwick, YORK, YO19 5UP. Tel: 01904 436622. Email: admin@yorkshirelca.gov.uk Website: www.yorkshirelca.gov.uk

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From: Monkfryston Parish Council Clerk [<mailto:clerk@monkfrystonparishcouncil.net>]
Sent: 06 January 2016 14:49
To: YLCA Admin
Subject: RE: White Rose Update December Issue

Hello Joy and happy new year

Please can you clarify. The update says that by 31 March 2016 a council will need to decide whether it is to remain automatically opted into the Sector Led Body for audit or is to opt out. Does this apply to Council's such as ours with an income less than £25K? There seems to be conflicting information coming through from the various sources.

Yours sincerely

Philip Scott
Clerk and RFO
Monk Fryston Parish Council

Dear Colleague.

EXTERNAL AUDIT FOR SMALLER AUTHORITIES

Further to my letter of 18 December 2015, I am writing to give you some more detailed information to help your authority to decide whether or not to opt out of the external audit arrangements that Smaller Authorities' Audit Appointments Limited (SAAA) is putting in place. These arrangements will take effect from 1 April 2017.

As stated in my earlier letter, the deadline for making a decision to opt out is 31 March 2016.

Background

Under the Local Audit (Smaller Authorities) Regulations 2015 ('the Regulations') (http://www.legislation.gov.uk/ukdsi/2015/9780111126103/pdfs/ukdsi_9780111126103_en.pdf), SAAA is required to make audit arrangements for all smaller authorities other than those that have given notice that they wish to make their own arrangements. The SAAA scheme will therefore cover all authorities that have not formally decided to opt out. Authorities covered by the SAAA scheme are referred to as 'opted-in' authorities.

By law, every authority will still have to complete and publish an annual financial return irrespective of whether it is opted-in or opted-out. This requirement has not changed.

If you are considering opting out, you must hold a properly constituted meeting and decide whether or not you wish to do so. This decision must be recorded.

If you do decide to opt out of the SAAA scheme you must communicate that decision to admin@localaudits.co.uk or SLB Opt Out, 109 Great Russell Street, London WC1B 3LD by 31 March 2016.

If notification of your decision to opt out is not received by 31 March 2016, your authority will be regarded as opted-in for the five-year period beginning on 1 April 2017 and ending on 31 March 2022 and you will not have another opportunity to opt out before the end of that period.

How do the Regulations affect different types of authority?

The effect of the Regulations is to divide smaller authorities into five groups, depending on their financial turnover and on whether or not they decide to opt out of the SAAA scheme. Please see Appendix 2 for a flowchart of this process.

- Group 1 Opted-in authorities (those that have not formally decided to opt out) with income or expenditure exceeding £25k;
- Group 2 Opted-out authorities with income or expenditure exceeding £25k;
- Group 3 Opted-in authorities with neither income nor expenditure exceeding £25k;
- Group 4 Opted-out authorities with neither income nor expenditure exceeding £25k; and
- Group 5 Financially inactive authorities.

Group 1 Opted-in authorities with income or expenditure exceeding £25k

Arrangements for 2017/18 and subsequent years will be the same as they are now. The only difference will be that your auditor will be appointed by SAAA. After completing your annual return, you should submit it by the due date to the auditor appointed by SAAA, who will undertake the limited assurance audit review.

Group 2 Opted-out authorities with income or expenditure exceeding £25k

If you have opted out of the SAAA scheme you will need to appoint an independent audit panel. Guidance on appointing an audit panel is available from CIPFA and can be found at <http://www.cipfa.org/policy-and-guidance/publications/g/guide-to-auditor-panels-pdf>.

The audit panel will consider which auditor to appoint and will make a recommendation to the authority, which will have to ratify the audit panel's decision. Only accounting firms that meet certain licensing criteria can be appointed to undertake limited assurance audit reviews. Firms that do not meet those criteria cannot be considered for appointment. DCLG is working with the professional accountancy bodies to establish appropriate criteria, and we will inform all opted-out authorities as soon as we have more information about the firms that you can appoint.

You will need to agree the fees to be charged for undertaking the limited assurance audit review with the auditor you have appointed.

You will be required to complete an annual certification form (which SAAA will provide) and to submit this to SAAA by an agreed date. The certification form will include:

- details of the firm that you have appointed as your auditor;
- confirmation that the limited assurance audit review has been undertaken by the set date; and
- confirmation that you have complied with the Regulations.

SAAA will carry out independent checks to ensure that the information provided in the certification form is correct.

If you fail to appoint an auditor, the Secretary of State will make the appointment. You will be responsible for paying the auditor's fees and for any administrative costs.

Group 3 Opted-in authorities with neither income nor expenditure exceeding £25k

With effect from 2017/18 very few of these authorities will be required to undergo a limited assurance audit review or to pay any audit fee. The circumstances in which a limited assurance audit review may be necessary are set out in Clauses 9(1)(b) and 9(3) of the Regulations (attached as Appendix 1).

All authorities will, however, need to complete and publish an annual return in accordance with the Transparency Code for Smaller Authorities ([https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/388541/Transparency Code for Smaller Authorities.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/388541/Transparency_Code_for_Smaller_Authorities.pdf)). You will also need to complete an annual exemption form (which SAAA will provide) and submit this to SAAA or an auditor specified by SAAA by an agreed date. By completing this form you certify that, under the Regulations, there is no requirement for a limited assurance audit review for the financial year in question.

If you wish to have a limited assurance audit review, despite not being required to do so, you will need to inform SAAA by the end of the financial year in question. SAAA will then appoint an auditor to undertake the review, for which a fee of £200 will be payable.

Group 4 Opted-out authorities with neither income nor expenditure exceeding £25k

Unless required to submit their accounts for review in the circumstances set out in Appendix 1, these bodies will only need to complete and publish an annual return and to complete and submit to SAAA or an auditor specified by SAAA an annual exemption form in the same way as Group 3 authorities.

If you wish to have a limited assurance audit review, you will need to appoint an audit panel, consider the panel's recommendations and appoint an auditor in the same way as a Group 2 authority. You will need to agree the fees to be charged for undertaking the limited assurance audit review with the auditor that you have appointed.

Group 5 Financially inactive authorities

If your authority has no income or expenditure you should continue to provide an 'inactive' certificate to the auditor appointed by SAAA.

Electors' rights

If an elector wishes, within the prescribed time period, to ask a question about, or make an objection to an authority's accounts, he or she may need to contact the appointed auditor. For opted-in authorities (Groups 1 and 3) the auditor will be (in the case of Group 1 authorities, will already have been) appointed by SAAA. Fees for any additional audit or investigatory work will be charged in accordance with scales set by SAAA.

Questions about and objections to the accounts of authorities in Group 2 and those in Group 4 that have appointed an auditor will be considered by the appointed auditor, who will report the outcome to the authority. If a Group 4 authority needs to appoint an auditor, it should follow the procedure described above, appointing an audit panel and taking a decision based on that panel's recommendations.

If an auditor issues a public interest report in relation to a Group 3 or Group 4 authority, DCLG will require that authority either to commission a limited assurance audit review in the following year (on terms to be agreed between the authority and the auditor) or to opt in to the SAAA scheme for the remainder of the contract period (until 31 March 2022).

Full audit

Any smaller authority can still choose to be treated as a full audit authority, as defined in the Local Audit and Accountability Act 2014, and to commission a full audit either from an auditor appointed by SAAA or (for authorities in Groups 2 and 4) from a licensed auditor appointed through proper processes, following a recommendation from a duly constituted audit panel.

Conclusion

The decisions that are available to smaller authorities are set out in the flowchart at Appendix 2. We will in due course be publishing questions and answers on our website, but in the meantime I or any of my colleagues at SAAA would be happy to answer any questions that you might have.

Please remember if you do decide to opt out of the SAAA scheme you must communicate that decision to admin@localaudits.co.uk or SLB Opt Out, 109 Great Russell Street, London WC1B 3LD by 31 March 2016.

Mike Attenborough-Cox

Chairman - Smaller Authorities' Audit Appointments Limited

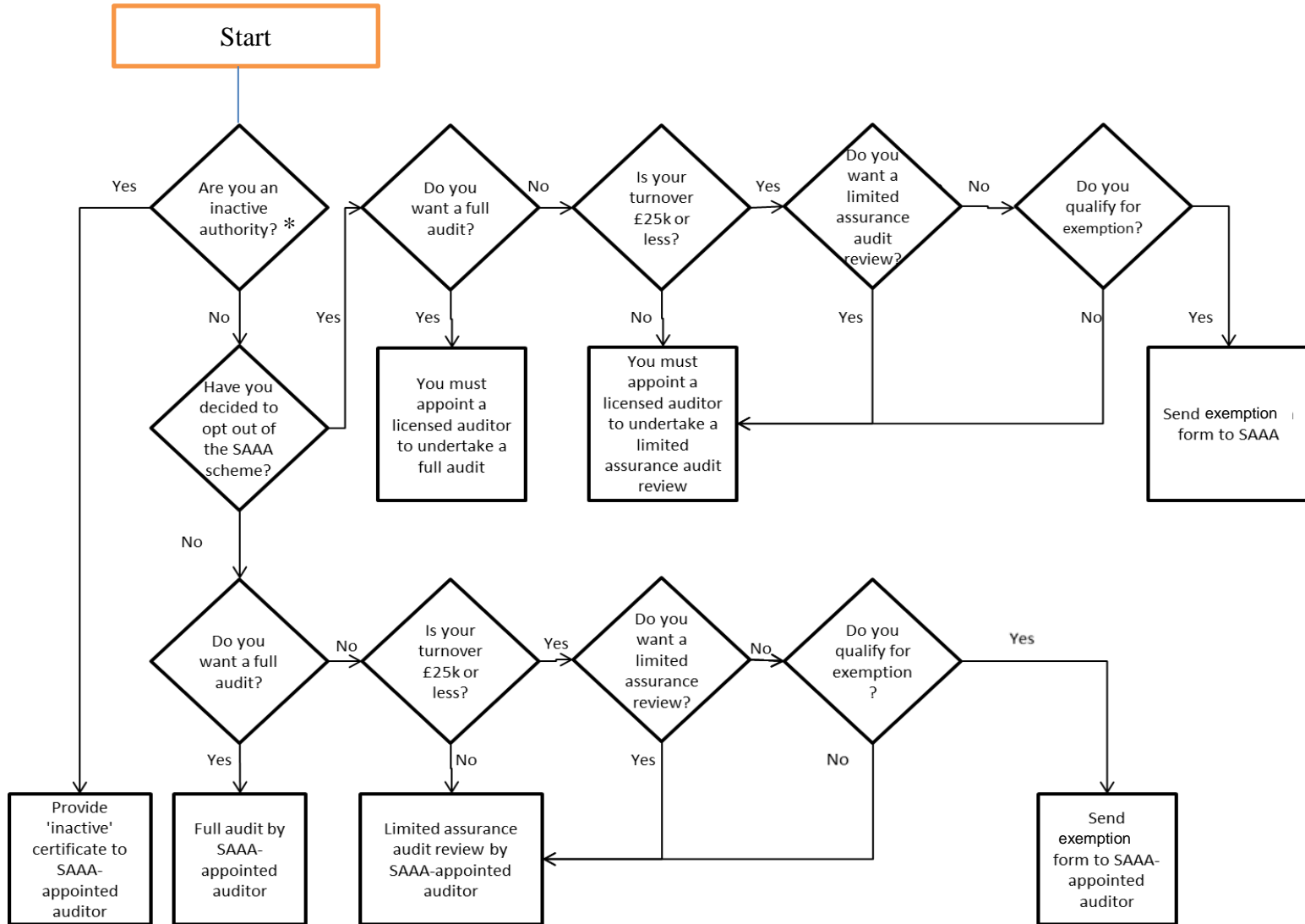
Appendix 1

Extract from the Local Audit (Smaller Authorities) Regulations 2015

Exempt authorities

- 9.—(1) A smaller authority may certify itself as an exempt authority for a financial year if—
- (a) the qualifying condition for that authority and that financial year in paragraph (2) is met; (b) the financial year is not one of the first three years of the authority's existence; and
 - (c) none of the relevant circumstances in paragraph (3) apply in relation to the keeping of the accounts for the preceding financial year or to the audit of those accounts.
- (2) The qualifying condition is met for an authority and a financial year if—
- (a) the higher of the authority's gross income for the year and its gross expenditure for the year does not exceed £25,000, or
 - (b) the higher of the authority's gross receipts and gross payments for the year does not exceed £25,000.
- (3) The relevant circumstances are—
- (a) the local auditor has made a public interest report(a) in respect of the authority or any entity connected with it;
 - (b) the local auditor has made a recommendation to the authority, relating to the authority or any entity connected with it;
 - (c) the local auditor has issued an advisory notice under paragraph 1(1) of Schedule 8 to the Act, and has not withdrawn the notice;
 - (d) the local auditor has commenced judicial review proceedings under section 31(1) of the Act, and the proceedings have not been withdrawn nor has the court found against the auditor;
 - (e) the local auditor has made an application under section 28(1) of the Act for a declaration that an item of account is unlawful, and the application has not been withdrawn nor has the court refused to make the declaration; or
 - (f) the court has declared an item of account unlawful after a person made an appeal under section 28(3) of the Act.

Appendix 2



* An inactive authority is one that has no income or expenditure