

LESNEWTH PARISH MEETING

WHAT IS AGAR?

AGAR stands for Annual Governance and Accountability Return. The AGAR is a set of documents and financial statements that local councils are required to prepare and submit each year. It is an essential part of the external audit process and serves several purposes:

Accountability: The AGAR provides a transparent and accountable overview of a council's financial activities, governance procedures, and decision-making processes. It allows the council to demonstrate its stewardship of public funds and adherence to legal and financial regulations.

Compliance: The AGAR helps ensure that local councils comply with statutory requirements and regulations. It includes information on the council's financial management, internal control procedures, and adherence to relevant laws and regulations.

Transparency: By making the AGAR publicly available, local councils provide transparency and openness to their constituents. It allows residents and other stakeholders to review the council's financial performance, budgeting decisions, and governance arrangements.

External Audit: The AGAR serves as a basis for the external audit of a local council's financial statements. Once the council completes the AGAR, it is submitted to an external auditor appointed by the Audit Commission or another approved auditor. The auditor reviews the AGAR and issues an audit opinion, assessing the council's compliance and the accuracy of its financial statements.

Financial Assurance: The AGAR helps provide assurance to the council and its stakeholders that the financial operations are conducted in a responsible and proper manner. It ensures that the council's accounts are accurate, complete, and reflective of the council's financial position.

The AGAR typically consists of various sections, including the Annual Governance Statement, Accounting Statements, and an Internal Audit Report. Each section requires specific information related to the council's governance arrangements, financial transactions, assets and liabilities, income and expenditure, and other relevant details.

It's important for local councils to prepare and submit the AGAR in a timely manner to comply with legal obligations and maintain transparency and accountability with their communities.