



SMALLER AUTHORITIES PROPER PRACTICES PANEL | CHANGES TO THE PRACTITIONERS' GUIDE 2025

This year's Practitioners' Guide has the following changes (page and paragraph numbers are shown as they appear in the 2024 guide and in the new 2025 guide).

THROUGHOUT THE DOCUMENT

- All references to JPAG have been amended to SAPPP.
- References to government departments updated to reflect any changes in name.
- All references to Parish Council(s) have been amended to smaller authority/ authorities.
- References to Chairman amended to Chair.
- All references to councillor(s) have been amended to member(s).
- Hyperlinks to legislation and guidance added.
- All references to 'should' in Proper Practices (Sections 1 - 3) amended to 'must'.
- Dates updated or changed to 20XX.

SECTION ONE - PROPER PRACTICES ANNUAL GOVERNANCE STATEMENT

Introduction

2024 guide	2025 guide
Page 5	Page 5

Panel Membership updated.

Assertion 1 - Financial management and preparation of accounting statements

2024 guide	2025 guide
Page 9	Page 9
Paragraph 1.9	

Paragraph amended to include:

The proper segregation of duties means that the Chairman of the authority or of the Finance Committee should never be appointed (even on a short-term basis) either as Clerk or as RFO; other members may perform these roles, unpaid, on a short-term basis providing appropriate safeguards are in place or if their appointment is unavoidable to ensure statutory functions continue to be fulfilled.

2024 guide	2025 guide
Page 9	Page 9
Paragraph 1.11	

References to DLUHC changed to the government or removed.

Assertion 3 - Compliance with laws, regulations and proper practices

2024 guide	2025 guide
Page 12	Page 14
Paragraph 1.26 - Email Management	Paragraph 1.47

The paragraph was amended and moved to Assertion 10.

Assertion 9 - Trust Funds

2024 guide	2025 guide
Page 14	Page 14

Assertion amended to state:

Trust funds (including charitable). The council is a sole managing trustee and has discharged its accountability responsibilities for the fund(s)/assets, including financial reporting and, if required, independent examination or audit.

2024 guide	2025 guide
N/A	Page 14
N/A	Paragraphs 1.43-1.44

New paragraphs added:

1.43 If a local council is a sole managing trustee and has not discharged all of its responsibilities, it must tick 'No'.

1.44 If a local council is not a sole managing trustee, it must tick 'N/A'.

2024 guide	2025 guide
Page 14	Page 14
Paragraph 1.44	Paragraph 1.45

Reference amended to 2.31

Assertion 10 - Digital and data compliance

2024 guide	2025 guide
N/A	Pages 14-15
N/A	1.47 - 1.54

Assertion 10 was added to clarify data compliance, previously covered under Assertion 3.

Note: Assertion 10 will not appear on the AGAR until 2025/26:

Assertion 10 - Digital and data compliance

To warrant a positive response to this assertion, the authority needs to have taken the following actions:

- 1.47 Email management - every authority must have a generic email account hosted on an authority owned domain, for example clerk@abcparishcouncil.gov.uk or clerk@abcparishcouncil.org.uk rather than abcparishclerk@gmail.com or abcparishclerk@outlook.com.
- 1.48 All smaller authorities (excluding parish meetings) must meet legal requirements for all existing websites regardless of what domain is being used.
- 1.49 All websites must meet the Web Content Accessibility Guidelines 2.2 AA and the Public Sector Bodies (Websites and Mobile Applications) (No. 2) Accessibility Regulations 2018.
- 1.50 All websites must include published documentation as specified in the Freedom of Information Act 2000 and the Transparency code for smaller authorities (where applicable).
- 1.51 All smaller authorities, including parish meetings, must follow both the General Data Protection Regulation (GDPR) 2016 and the Data Protection Act (DPA) 2018.
- 1.52 All smaller authorities, including parish meetings, must process personal data with care and in line with the principles of data protection.
- 1.53 The DPA 2018 supplements the GDPR and classifies a parish council as both a Data Controller and a Data Processor.
- 1.54 All smaller authorities (excluding parish meetings) must also have an IT policy. This explains how everyone - clerks, members and other staff - should conduct authority business in a secure and legal way when using IT equipment and software. This relates to the use of authority-owned and personal equipment.

SECTION TWO — PROPER PRACTICES THE STATEMENT OF ACCOUNTS

Introduction

2024 guide	2025 guide
Page 16	Page 17
Paragraph 2.9 (a)	Paragraph 2.9.1
Unnumbered	Paragraph 2.9.2
N/A	Paragraph 2.10.1

Paragraph 2.9 (a) is renumbered as 2.9.1.

The paragraph titled ‘Treatment of amounts refunded/reimbursed’ numbered 2.9.2.

Paragraph 2.10.1 added:

For a ‘lead’ authority operating a joint committee, whose accounts are prepared on a receipts and payments basis, all transactions both in and out must be recorded gross in the accounts without netting off. If the ‘lead’ authority is holding balances belonging to the other authorities at the 31 March, these must be held in Ear-marked Reserves.

Line 8 - Total value of cash and short-term investments

2024 guide	2025 guide
Page 20	Page 20
Paragraph 2.22 b)	Paragraph 2.23 b.

Paragraph amended to:

Be realisable at full value on demand or have a maturity end date of not more than 12 months;

Line 9 - Total fixed assets plus long-term investments and assets

2024 guide	2025 guide
Page 20	Page 20
Paragraph 2.25	Paragraph 2.26

The first sentence was amended to:

This cell shows the value of all the fixed assets, long-term investments and debtor long-term loans the authority owns.

Line 11 - Disclosure note re trust funds (local councils only)

2024 guide	2025 guide
Page 21	Page 21
Paragraphs 2.30-2.32	Paragraphs 2.31-2.33

Paragraphs amended to state:

- 2.31 Cell 11 requires a local council to answer ‘Yes’ or ‘No’ to whether the figures in Section 2 of the Annual Governance and Accountability Return exclude any trust transactions or balances (see paragraph 1.46 above).
- 2.32 Where a body is NOT a sole managing trustee, it must answer ‘Yes’.
- 2.33 Information for authorities on a receipts and payments basis can be found in Section 5, paragraphs 5.106 – 5.116.



2024 guide	2025 guide
Page 21	Page 21
Line 11	

Text added:

These changes to Box 11 apply to the AGAR for 2025/26 and not 2024/25

Accompanying information

2024 guide	2025 guide
Page 22	Pages 21-22
Paragraph 2.36	Paragraph 2.37

Paragraph amended to:

There is no provision in the Annual Governance and Accountability Return (AGAR) for additional notes to provide a narrative on the cause of any variance in the figures shown in the accounting statements. To address this, authorities need to provide the following accompanying information to the external auditor, where Form 3 of the AGAR is subject to review by the external auditor.

Explanation of variances

2024 guide	2025 guide
Page 22	Page 22
Paragraph 2.37	Paragraph 2.38

Paragraph amended to:

Authorities need to understand the changes in income and expenditure from year to year and their significance. The RFO needs to produce explanatory figures with a written narrative on the amount and cause of significant variances in annual levels of income, expenditure and balances shown in Section 2 of the Annual Governance and Accountability Return that provides a sufficiently detailed and meaningful analysis and explanation of the reasons for the change.

SECTION FOUR – BEST PRACTICE GUIDANCE FOR INTERNAL AUDIT

Internal Audit Checklist

2024 guide	2025 guide
Page 31	Page 31
H. Borrowing and Lending	

DMO changed to the UK Debt Management Office

Bullet point 4 amended to:

Ensure that the outstanding loan liability as at 31 March each year is correctly recorded in the AGAR at section 2, line 10 (value should be verified from the lender and verification provided to the IA by the clerk/RFO).

SECTION FIVE – SUPPORTING INFORMATION FOR OFFICERS

AGS Assertion 3 – Compliance with laws, regulations and proper practices

2024 guide	2025 guide
Page 43	Page 47
Paragraphs 5.74-5.77	5.125-5.128

Paragraphs updated and moved to Assertion 10.

AGS Assertion 4 – Exercise of public rights

2024 guide	2025 guide
Page 43	Page 42
Paragraph 5.83	Paragraph 5.79

Bullet point 4 was amended to state:

it must give a day's notice of commencement and be published together with sections 1 and 2 of the AGAR.

AGS Assertion 7 – Reports from auditors

2024 guide	2025 guide
Page 46	Page 44
Paragraph 5.105	Paragraph 5.101

The word 'external' was added before 'auditors'.

AGS Assertion 9 – Trust funds (local councils only)

2024 guide	2025 guide
Page 46-47	Page 45
Paragraph 5.116	Paragraph 5.112

Additional text added to the end of the paragraph:

Where the authority finds itself in this position, it should give a 'No' response in Cell 11 which will trigger a qualification in relation to accounts preparation and a 'No' response to Assertion 9 on the Annual Governance Statement.

2024 guide	2025 guide
Page 47	Page 46
Paragraph 5.118	Paragraph 5.114

Paragraph amended to:

Meetings of the authority when it is acting as charity trustee must take place separately from those of the authority acting as the authority; it is suggested that a separate committee is established. Separate minutes must be kept. In order to avoid confusion, trust business should always be minuted separately from authority business. Separate notices and agendas for meetings should be issued.

AGS confirmation - Website

2024 guide	2025 guide
Page 47	N/A
Paragraphs 5.121 - 5.124	N/A

Section replaced.

AGS Assertion 10 – Digital and data compliance

2024 guide	2025 guide
N/A	Pages 46-47
N/A	Paragraphs 5.117 - 5.128

Section added:

- 5.117. Data protection and security - Using authority-owned email accounts ensures that sensitive information is handled in a controlled environment with appropriate security measures. This aligns with GDPR principles such as data minimisation, integrity and confidentiality.
- 5.118. Accountability and transparency - authority-owned email accounts provide a clear record of communications, which is essential for transparency and accountability. This helps in maintaining an audit trail and ensures all council-related communications are accessible for review if needed.
- 5.119. Consistency, trust and professionalism - it is best practice to use .gov.uk domains for smaller authorities' emails and websites (excluding parish meetings). This helps maintain a consistent and professional image for the authority and ensures all communications are easily identifiable as coming from the authority. This is increasingly important as cyber scams are on the rise. For support on setting up a gov.uk domain for your smaller authority you can follow the guidance on moving your parish council to a .gov.uk domain.
- 5.120. Having authority-owned email accounts also makes Data Subject Access and Freedom of Information Requests easier to manage.
- 5.121. Compliance with policies - All authorities should have an IT policy that mandates the use of authority-owned email accounts for official business. These policies are designed to ensure that all communications are conducted in a manner that is consistent with the authority's standards and legal obligations

- 5.122 IT Policies - An IT policy prevents misunderstandings when using IT equipment for authority business and makes sure that there can be no excuses for anyone in your authority not protecting their data or working safely. If your authority does not have a policy, you might like to use this IT policy template. It is important to personalise the template for the specific use of your authority and add links to guidance where needed. It is important to personalise the template for the specific use of your authority and add links to guidance where needed.
- 5.123. Website accessibility - Where a smaller authority is subject to the requirements of website accessibility it does not have to buy a new website to comply with accessibility law if it places a disproportionate burden on the authority. At a minimum all authorities' websites must include an accessibility statement on their website and keep it under regular review. This statement should include reasons for not meeting accessibility requirements, ways to source alternative copies of non-accessible documents and a point of contact.
- 5.124. Data Protection - To ensure compliance with data protection regulations, smaller authorities must:
- Appoint a Data Protection officer to oversee data protection and ensure compliance with GDPR.
 - Conduct regular data audits to identify what personal data is held, how it is used and make sure it is processed lawfully.
 - Implement a Data Protection policy on data handling, storage and sharing.
 - Provide regular training to ensure all staff and members are trained on data protection principles and practices.
 - Secure data using appropriate technical and organisational measures to protect personal data from breaches
- 5.125 The Freedom of Information Act places a duty on every public authority to adopt and maintain a publication scheme which details the publication of information by the authority and is approved by the Information Commissioner; adoption of the Information Commissioner's Office model publication scheme meets this requirement.
- 5.126 In addition to this the Transparency Code for Smaller Authorities requires parish councils, internal drainage boards, charter trustees and port health authorities with an annual turnover not exceeding £25,000 to publish certain information set out in the code. This enables local electors and local taxpayers to access relevant information about the authority's accounts and governance.
- 5.127 Smaller Authorities with total turnover or expenditure greater than £25,000 should as best practice comply with the Local Government Transparency Code 2015; the government believes that in principle all data held and managed by local

authorities should be made available to the public unless there are specific sensitivities to doing so.

- 5.128 Monitoring an authority's compliance with the relevant transparency code is not part of the external auditor's limited assurance review of the AGAR. It would however be expected that internal auditors would review this control area.

AGAR Accompanying information

2024 guide	2025 guide
Page 56	Page 56
Paragraph 5.204	Paragraph 5.208

Paragraph amended to state:

As authorities have no legal powers to hold revenue reserves other than those for reasonable working capital needs, or for specifically earmarked purposes, whenever an authority's year-end general reserve is less than three months or more than twelve months of net revenue expenditure an explanation should be provided to the external auditor.

Terms of Reference

2024 guide	2025 guide
Pages 70-74	Pages 69-74

Replaced with updated version.