A Civility & Respect Pledge Council

ST AGNES PARISH COUNCIL

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Full Council, 1st June 2026

Agenda item: Annual Governance and Accountability Return (AGAR)

The Annual Governance and Accountability Return (AGAR) is a key document, and legal obligation, required annually of town and parish councils.

What is the AGAR?
The AGAR is a public declaration of the Council's governance, financial management, and accounting statements for the year ending 31 March 2026. It is submitted to the External Auditor - BDO UK - for review before 30th June.

The AGAR comprises three main sections:
- **Section 1: Annual Governance Statement** – A self-assessment of how the Council has managed risks and governance during the year.
- **Section 2: Accounting Statements** – Summarised financial statements for the year.
- **Section 3: External Auditor Report and Certificate** – Completed by BDO UK upon examination of Sections 1 and 2 and returned to the Council for publication before 30th September.

Legislative Framework
The AGAR is underpinned by:
- Local Audit and Accountability Act 2014
- Accounts and Audit Regulations 2015 (as amended)
- The Smaller Authorities' Proper Practices Panel - Practitioners' Guide

Requirement
The Council must consider and agree the AGAR Sections in strict order, as follows:

To RESOLVE: -
a. To AGREE the Annual Governance Statement 2025/26 (Section 1)
b. To AGREE that Section 1 be signed by the Chairman and Clerk.

c. To AGREE the Accounting Statement 2025/26 (Section 2)
d. To AGREE that Section 2 be signed by the Chairman.

e. To NOTE the additional information to be submitted to the External Auditor in support of the AGAR (requested by the Auditor).
f. To ADOPT the dates for the period of exercise of public rights – 10th June – 21st July 2026
g. To NOTE the following information will be published on the Parish Council's website no later than 9th June: - AGAR S1&2; Signed declaration that accounts are unaudited and liable to change; A statement explaining how public rights can be exercised; The notice period (f above); Contact details of the External Auditor.

Section 1: Annual Governance Statement 2025/26
Assertion 1: Financial Management and Preparation of Accounting Statements

Statement: *"We have put in place arrangements for effective financial management during the year, and for the preparation of the accounting statements."*
Council Compliance:

- The Council adopted up-to-date NALC model Financial Regulations that govern its financial procedures
- An annual budget for 2025/26 was prepared, adopted and published, detailing planned income and expenditure throughout the year
- Monthly financial reports are presented to the Council, ensuring ongoing financial oversight
- The Council has an appointed Responsible Financial Office, Accountant, qualified Finance Officer and independent Internal Auditor

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Assertion 2: Internal Control
Statement: *"We maintained an adequate system of internal control including measures designed to prevent and detect fraud and corruption and reviewed its effectiveness."*
Council Compliance:

- The Council has implemented an Internal Control Policy and an Internal Processes Attendance Policy to ensure robust internal controls
- Regular reviews of internal controls are conducted, and findings are reported to the Council

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Assertion 3: Compliance with Laws and Regulations
Statement: *"We took all reasonable steps to assure ourselves that there are no matters of actual or potential non-compliance with laws, regulations, and proper practices that could have a significant financial effect on the ability of this authority to conduct its business or on its finances."*
Council Compliance:

- The Council operates under adopted up-to-date NALC model Standing Orders and a Code of Conduct, ensuring decisions are made within legal frameworks
- The Council has adopted a suite of policies, which are regularly reviewed, to uphold legal compliance, transparency and accountability

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Assertion 4: Exercise of Public Rights
Statement: *"We provided proper opportunity during the year for the exercise of electors' rights in accordance with the requirements of the Accounts and Audit Regulations."*
Council Compliance:

- The Council published the notice for the exercise of public rights on its website, allowing electors to inspect accounting records between 6th June – 17th July 2025.

Assertion 5: Risk Management
Statement: *"We carried out an assessment of the risks facing this authority and took appropriate steps to manage those risks, including the introduction of internal controls and/or external insurance cover where required."*
Council Compliance:

- A General Risk Assessment for 2025/26 was conducted, identifying potential risks and mitigation strategies and adopted by the Council at its Annual Parish Council meeting, 12th May 2025 22/25.
- The Council maintains appropriate insurance coverage to manage financial risks
- The Council operates a robust and regular system of internal controls which is compliant with legislation

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Assertion 6: Internal Audit
Statement: *"We maintained throughout the year an adequate and effective system of internal audit of the accounting records and control systems."*
Council Compliance:

- An independent Internal Auditor is appointed to annually review the Council's financial systems and controls
- The Council submits to both an interim and end-of-year internal audit process
- The Auditor's report was presented to the Council at its Annual Parish Council meeting, 12th May 2025 20/25 and is published on its website

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Assertion 7: Response to Matters Raised in Reports
Statement: *"We took appropriate action on all matters raised in reports from internal and external audit."*
Council Compliance:

- The Council reviews audit reports and implements recommended actions to address any identified issues.
- Actions taken in response to audit findings are documented in meeting minutes.
- There were no recommended actions from the External Auditor. The updates recommended by the Internal Auditor were addressed by the Council in full on 09.02.2026, minute 204/25.

Assertion 8: Significant Events
Statement: *"We considered whether any litigation, liabilities or commitments, events or transactions, occurring either during or after the year-end, have a financial impact on this authority and, where appropriate, have included them in the accounting statements."*
Council Compliance:

- The Council monitors ongoing and potential liabilities, ensuring they are reflected in financial statements as necessary
- Significant events are discussed in Council meetings and recorded in minutes

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Assertion 9: Trust Funds
Statement: *"(For local councils only) Trust funds including charitable. In our capacity as the sole managing trustee we discharged our accountability responsibilities for the fund(s)/assets, including financial reporting and, if required, independent examination or audit."*
Council Compliance:

- This is not applicable to the Council, as it does not act as a sole managing trustee for any trust funds

Section 2: Accounting Statement 2025/26

The Council's Finance Officer and RFO have prepared the Accounting Statement, as part of the 2025/26 Year-End close down and which were reviewed as part of the Council's Year-End Internal Audit process, reported to the Council on 11th May 2026, 022/26.

Recommendation:
The Council's Responsible Financial Officer recommends that the Council resolves to adopt Sections 1 and 2 of the AGAR, which demonstrates and supports the Council's robust adherence to the governance and accountability standards required.