

Annual Governance and Accountability Return 2025/26 Form 3

To be completed by Local Councils, Internal Drainage Boards and other Smaller Authorities*:

- where the higher of gross income or gross expenditure exceeded £25,000 but did not exceed £15 million; or
- where the higher of gross income or gross expenditure was £25,000 or less but that:
 - are unable to certify themselves as exempt (fee payable); or
 - have requested a limited assurance review (fee payable)

Guidance notes on completing Form 3 of the Annual Governance and Accountability Return 2025/26

1. Every smaller authority in England that either received gross income or incurred gross expenditure exceeding £25,000 **must** complete Form 3 of the Annual Governance and Accountability Return at the end of each financial year in accordance with *Proper Practices*.
2. **The Annual Governance and Accountability Return is made up of three parts, pages 3 to 6:**
 - The **Annual Internal Audit Report** **must** be completed by the authority's internal auditor.
 - **Sections 1 and 2** **must** be completed and approved by the authority.
 - **Section 3** is completed by the external auditor and will be returned to the authority.
3. The authority **must** approve Section 1, Annual Governance Statement, before approving Section 2, Accounting Statements, and both **must** be approved and published on the authority website/webpage **before 1 July 2026**.
4. An authority with either gross income or gross expenditure exceeding £25,000 or an authority with neither income nor expenditure exceeding £25,000, but which is unable to certify itself as exempt, or is requesting a limited assurance review, **must** return to the external auditor by email or post (not both) **no later than 30 June 2026** Reminder letters will incur a charge of £40 +VAT:
 - the Annual Governance and Accountability Return Sections 1 and 2, together with
 - a bank reconciliation as at 31 March 2026
 - an explanation of any significant year on year variances in the accounting statements
 - notification of the commencement date of the period for the exercise of public rights
 - Annual Internal Audit Report 2025/26

Unless requested, do not send any additional documents to your external auditor. Your external auditor will ask for any additional documents needed.

Once the external auditor has completed the limited assurance review and is able to give an opinion, the Annual Governance and Accountability Return **Section 1, Section 2 and Section 3 – External Auditor Report and Certificate** will be returned to the authority by email or post.

Publication Requirements

Under the Accounts and Audit Regulations 2015, authorities **must** publish the following information on the authority website/webpage:

Before 1 July 2026 authorities **must** publish:

- Notice of the period for the exercise of public rights and a declaration that the accounting statements are as yet unaudited;
- **Section 1 - Annual Governance Statement 2025/26** approved and signed, page 4
- **Section 2 - Accounting Statements 2025/26** approved and signed, page 5

Not later than 30 September 2026 authorities **must** publish:

- Notice of conclusion of audit
- **Section 3 - External Auditor Report and Certificate**
- **Sections 1 and 2 of AGAR** including any amendments as a result of the limited assurance review. It is recommended as best practice, to avoid any potential confusion by local electors and interested parties, that you also publish the Annual Internal Audit Report, page 3.

The Annual Governance and Accountability Return constitutes the annual return referred to in the Accounts and Audit Regulations 2015. Throughout, the words 'external auditor' have the same meaning as the words 'local auditor' in the Accounts and Audit Regulations 2015.

*for a complete list of bodies that may be smaller authorities refer to schedule 2 to the Local Audit and Accountability Act 2014.

Guidance notes on completing Form 3 of the Annual Governance and Accountability Return (AGAR) 2025/26

- The authority **must** comply with *Proper Practices* in completing Sections 1 and 2 of this AGAR. *Proper Practices* are found in the *Practitioners' Guide** which is updated from time to time and contains everything needed to prepare successfully for the financial year-end and the subsequent work by the external auditor.
- Make sure that the AGAR is complete (no highlighted boxes left empty) and is properly signed and dated. Any amendments **must** be approved by the authority and properly initialled.
- The authority **should** receive and note the Annual Internal Audit Report before approving the Annual Governance Statement and the accounts.
- Use the checklist provided below to review the AGAR for completeness before returning it to the external auditor by email or post (not both) no later than 30 June 2026
- The Annual Governance Statement (Section 1) **must** be approved before the Accounting Statements (Section 2) and evidenced by the agenda or minute references, even where approved on the same day.
- The Responsible Financial Officer (RFO) **must** certify the accounts (Section 2) before they are presented to the authority for approval. The authority **must** in this order; consider, approve and sign the accounts.
- The RFO is required to commence the public rights period which **must** be a single period of 30 working days for inspection (this excludes weekends and public holidays) which **must** include the first 10 working days of July.
- You must inform your external auditor about any change of Clerk, Responsible Financial Officer or Chair, and provide relevant authority owned generic email addresses and telephone numbers.**
- Make sure that the copy of the bank reconciliation to be sent to your external auditor with the AGAR covers all the bank accounts. If the authority holds any short-term investments, note their value on the bank reconciliation. The external auditor **must** be able to agree the bank reconciliation to Box 8 on the accounting statements (**Section 2, page 5**). An explanation **must** be provided of any difference between Box 7 and Box 8. More help on bank reconciliation is available in the *Practitioners' Guide**.
- Explain fully significant variances in the accounting statements on **page 5**. Do not just send a copy of the detailed accounting records instead of this explanation. The external auditor wants to know that you understand the reasons for all variances. Include complete numerical and narrative analysis to support the full variance.
- Additional costs may be incurred if additional audit work is required.
- Make sure that the accounting statements add up and that the balance carried forward from the previous year (Box 7 of 2025) equals the balance brought forward in the current year (Box 1 of 2026).
- The Responsible Financial Officer (RFO), on behalf of the authority, **must** set the commencement date for the exercise of public rights which **must** be a single period of 30 working days for inspection (this excludes weekends and public holidays) which **must** include the first 10 working days of July.
- The authority **must** publish on the authority website/webpage the information required by Regulation 15 (2), Accounts and Audit Regulations 2015, including the period for the exercise of public rights and the name and address of the external auditor **before 1 July 2026**

Completion checklist – 'No' answers mean you may not have met requirements		Yes	No
All sections	Have all highlighted boxes have been completed?	✓	
	Has all additional information requested, including the dates set for the period for the exercise of public rights , been provided for the external auditor?	✓	
Internal Audit Report	Have all highlighted boxes been completed by the internal auditor and explanations provided?	✓	
Section 1	For any statement to which the response is 'no', has an explanation been published?	✓	
Section 2	Has the Responsible Financial Officer signed the accounting statements before presentation to the authority for approval?	✓	
	Has the authority's approval of the accounting statements been confirmed by the signature of the Chair of the approval meeting?	✓	
	Has an explanation of significant variations been published where required?	✓	
	Has the bank reconciliation as at 31 March 2026 been reconciled to Box 8?	✓	
	Has an explanation of any difference between Box 7 and Box 8 been provided?	✓	
Sections 1 and 2	Trust funds – have all disclosures been made if the authority as a body corporate is a sole managing trustee? NB: do not send trust accounting statements unless requested.	✓	

**Governance and Accountability for Smaller Authorities in England – a Practitioners' Guide to Proper Practices*, can be downloaded from www.nalc.gov.uk or from www.ada.org.uk

Annual Internal Audit Report 2025/26

Brandon & Byshottles Parish Council

https://brandonandbyshottlesparishcouncil.gov.uk

During the financial year ended 31 March 2026, this authority's internal auditor acting independently and on the basis of an assessment of risk, carried out a selective assessment of compliance with the relevant procedures and controls in operation and obtained appropriate evidence from the authority.

The internal audit for 2025/26 has been carried out in accordance with this authority's needs and planned coverage. On the basis of the findings in the areas examined, the internal audit conclusions are summarised in this table. Set out below are the objectives of internal control and alongside are the internal audit conclusions on whether, in all significant respects, the control objectives were being achieved throughout the financial year to a standard adequate to meet the needs of this authority.

Internal control objective	Yes	No*	Not covered**
	A. Appropriate accounting records have been properly kept throughout the financial year.	✓	
B. This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.	✓		
C. This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	✓		
D. The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.	✓		
E. Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.	✓		
F. Cash payments were properly supported by receipts, all cash expenditure was approved and VAT appropriately accounted for.			✓
G. Salaries to employees and allowances to members were paid in accordance with this authority's approvals, and PAYE and NI requirements were properly applied.	✓		
H. Asset and investments registers were complete and accurate and properly maintained.	✓		
I. Periodic bank account reconciliations were properly carried out during the year.	✓		
J. Accounting statements prepared during the year were prepared on the correct accounting basis (receipts and payments or income and expenditure), agreed to the cash book, supported by an adequate audit trail from underlying records and where appropriate debtors and creditors were properly recorded.	✓		
K. If the authority certified itself as exempt from a limited assurance review in 2024/25, it met the exemption criteria and correctly declared itself exempt. (If the authority had a limited assurance review of its 2024/25 AGAR tick "not covered")			✓
L. The authority published the required information on a website/webpage up to date at the time of the internal audit in accordance with the relevant legislation.	✓		
M. In the year covered by this AGAR, the authority correctly provided for a period for the exercise of public rights as required by the Accounts and Audit Regulations (during the 2025/26 AGAR period, were public rights in relation to the 2024-25 AGAR evidenced by a notice on the website and/or authority approved minutes confirming the dates set).	✓		
N. The authority has complied with the publication requirements for 2024/25 AGAR (see AGAR Page 1 Guidance Notes).	✓		
O. The authority has complied with laws, regulations & proper practices relating to digital and data compliance.	✓		
P. (For local councils only) Trust funds (including charitable) – The council met its responsibilities as a trustee.			✓

For any other risk areas identified by this authority adequate controls existed (list any other risk areas on separate sheets if needed).

Date(s) internal audit undertaken

Name of person who carried out the internal audit

04/06/26

DAVID NEWMAN AUDITOR

Signature of person who carried out the internal audit

D Newman

Date

10/06/2026

*If the response is 'no' please state the implications and action being taken to address any weakness in control identified (add separate sheets if needed).

**Note: If the response is 'not covered' please state when the most recent internal audit work was done in this area and when it is next planned; or, if coverage is not required, the annual internal audit report must explain why not (add separate sheets if needed).

REPORT OF THE INTERNAL AUDITOR FOR YEAR 2025-2026: BRANDON & BYSHOTTLES PARISH COUNCIL

David Newman, Internal Auditor

Audit Report June 2026

Overview:

This report acknowledges the issues which existed historically, the Internal Audit Report for 2024-25, and the significant progress which has been made over recent months. Rialtas came into use relatively recently and is being used effectively for the recording of transactions, production of financial data, and hence as an effective control tool.

Please see the comments regarding the asset register, risk assessment and website accessibility.

Internal Audit Actions for expected controls:

A & I: Appropriate accounting records have been kept properly through the year.

Suggested Testing	Control & Evaluation	Comments
<ul style="list-style-type: none"> Ensure the correct roll forward of the prior year cashbook balances to the new financial year Check a sample of financial transactions in cashbooks to bank statements, etc: the sample size dependent on the size of the authority and nature of accounting records maintained Ensure that bank reconciliations are prepared routinely, are subject to independent scrutiny and sign-off by members 	<p>Balances from the AGAR as at 31/3/25 have been brought forward correctly:</p> <p>Cash & ST investments: £250,758 Fixed & LT investments: £387,677</p> <p>The Bank account balances as at 1/4/25 were (prior to adjustments for unrepresented items):</p> <p>Co-op Instant Access. £114,043.85 CCLA <u>£141,283.90</u> Total £255,327.75</p> <p>All transactions for October & November 2025 were checked against the bank statements, cashbook (Rialtas) and invoices. These are complete and have been correctly recorded in all three.</p> <p>Prepared routinely and presented at quarterly finance committee meetings.</p>	

<ul style="list-style-type: none"> Verify the accuracy of the year-end bank reconciliation detail and ensure accurate disclosure of the combined cash and bank balances in the AGAR, section 2, line 8. Where the authority has bank balances in excess of £100,000 it has an appropriate investment strategy. 	<p>AGAR figure line 8 of £222,314 reflects bank reconciliation at 31 March 2026 and bank balances:</p> <table data-bbox="252 981 384 1505"> <tr> <td>Coop Current Account</td> <td>£12,236</td> </tr> <tr> <td>CCLA</td> <td>£209,816</td> </tr> <tr> <td>Cash</td> <td>£162</td> </tr> <tr> <td>Total</td> <td>£222,314</td> </tr> </table> <p>Bank balances are in excess of £100,000.</p> <p>There is no investment strategy although there are earmarked reserves of £68,675.84.</p>	Coop Current Account	£12,236	CCLA	£209,816	Cash	£162	Total	£222,314	<p>Council agreed in 2025 to hold the majority of funds in CCLA, this could be formulated into a clear strategy</p>
Coop Current Account	£12,236									
CCLA	£209,816									
Cash	£162									
Total	£222,314									

B: This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT appropriately accounted for

Suggested Testing	Control & Evaluation	Comments
<p>Review the procedures in place for acquisition of formal tenders and quotes, ensuring they are in line with the SOs and FRs which should be based on the latest version.</p> <ul style="list-style-type: none"> • Ensure that consistent values are in place for the acquisition of formal tenders between SOs and FRs (frequently different limits are recorded in the two documents). • Review the procedures for receipt of invoices, agreement of invoice detail and confirmation of goods /services delivery and approval for payment: ideally, a suitably designed certification stamp should be in place providing for evidencing of these checks and payment authorisation. • Check that there is effective segregation between the writing of cheques or the setting up of online payments, and physical release of payments. • Check that VAT reclaims are prepared and submitted in a timely manner in line with the underlying 	<p>Only one tender process during the year, for floral displays. Process outlined: advertised on government website in February. Only one contractor bid, tender reported back to Council in March.</p> <p>Financial Regulations were adopted. Minutes of meeting 16/5/25 refer.</p> <p>Standing Orders (based on NALC model) last reviewed June 2025. Minutes of meeting 20/6/25 refer.</p> <p>These have been reviewed for a sample period and are effective.</p> <p>VAT return for 2024-25 seen and amount of £30,170.05 was received on 8 August 2025.</p>	

<p>records and in accordance with current HMRC requirements</p> <ul style="list-style-type: none">• Where debit / credit cards are in use, establish the total monthly and individual transaction limits and ensure appropriate controls over physical security and usage of the cards are in place	<p>4 cards are in use with individual limits of £500.</p>	
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C. This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these

Suggested Testing	Control & Evaluation	Comments
<ul style="list-style-type: none"> Ensure that authorities have prepared, and formally adopted, at least once annually, an appropriate and comprehensive register of assessed risks, both regular and ad hoc Ensure that appropriate levels of insurance cover are in place for land, buildings, public, employers' and hirers' (where applicable) liability, fidelity / employees (including councillors) liability, business interruption and cyber security Ensure that appropriate arrangements are in place for monitoring play areas, open spaces and sports pitches: such reviews should be undertaken by appropriately qualified external inspectors or, if by officers or members, that they have received the appropriate training and accreditation Review the effectiveness of internal control carried out by the authority 	<p>There is a Risk Assessment document (March 2025. Minute reference 182).</p> <p>There are no IT risks included (e.g. cyber risks, loss of data, etc) – these should be considered.</p> <p>The Zurich Insurance policy appears comprehensive but it would be helpful to show these values on the asset register against specific or groups of assets.</p> <p>Arrangements have changed during the year – there will be weekly checks by Durham County Council plus the annual RoSPA inspection.</p> <p>Considerable improvements are evident across a range of controls further to the Operational Review in 2024 and the Internal Audit findings of the 2024-25 report.</p>	<p>IT risks have been included for 2026/27</p> <p>Asset Register be reviewed in 2026/27 to include insurance values</p>

D. The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored, and reserves were appropriate

Suggested Testing	Control & Evaluation	Comments
<ul style="list-style-type: none"> • Ensure that the full Authority, not a committee, has considered, approved and adopted the annual precept for the coming year in accordance with the required parent Authority timetable • Ensure that current year budget reports are prepared and submitted to Authority / Committees periodically during the year with appropriate commentary on any significant variances • Review the budget performance either during the year or at the financial year-end seeking explanations for any significant or unanticipated variances • Ensure that the Authority has considered the establishment of specific earmarked reserves and, ideally, reviews them annually as part of the budget assessment process • Ensure that the precept received in the accounts matches the prior year submission form to the relevant authority and the public record of precepted amounts 	<p>Correct. The precept for 2025-26 of £293,758 was approved by the full committee at the meeting on 16 January 2026 (minute reference 189).</p> <p>Budget reports are presented to the Finance Committee which meets quarterly. In turn these are reported to the full Council meetings.</p> <p>Earmarked reserves totalling £68,675 are held to cover requirements of individual wards and community awards.</p> <p>Precept for 2025-26 appears to be £257,552 as agreed by the Finance Committee (see minutes 21/1/25) but amount not specified at the full council meeting in absolute £ terms but rather as amount per Band D property.</p>	

	Payments were received 3/4/25 - £121,191.43 (3/4/25) and £121,224 (6/10/25).	
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E. Expected income was fully received based on correct prices, properly recorded and promptly banked; and VAT appropriately accounted for

Suggested Testing	Control & Evaluation	Comments
<ul style="list-style-type: none"> • Review "Aged debtor" listings to ensure appropriate follow up action is in place • Allotments: ensure that appropriate signed tenancy agreements exist, that an appropriate register of tenants is maintained identifying, that debtors are monitored. • Burials: ensure that a formal burial register is maintained that it is up-to-date and that a sample of interments and memorials are appropriately evidenced, that fees have been charged at the correct approved rate and been recovered within a reasonable time: (Authorities should also acquire and retain copies of Burial / Cremation certificates) • Hall hire: ensure that an effective diary system for bookings is in place identifying the hirer, hire times and 	<p>Debtors at the year-end totalled £3,495, made up of VAT, prepayments and accrued income.</p> <p>Allotments are managed using AdvantEDGE software. Payments are monitored through this and outstanding amounts can be identified.</p> <p>Allotment records have been sampled for tenancy agreements and receipts.</p> <p>Not applicable.</p> <p>Not applicable.</p>	

<p>ideally cross-referenced to invoices raised</p> <ul style="list-style-type: none"> Leases: ensure that leases are reviewed in a timely manner in accordance with the terms of the lease and rents similarly reviewed appropriately at the due time Other variable income streams: ensure that appropriate control procedures and documentation are in existence to provide a clear audit trail through to invoicing and recovery of all such income Where amounts are receivable on set dates during the year, ensure that an appropriate control record is maintained duly identifying the date(s) on which income is due and actually received / banked 	<p>Not applicable.</p> <p>Not applicable.</p> <p>Not applicable.</p>	
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F. Petty Cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for

Suggested Testing	Control & Evaluation	Comments
<ul style="list-style-type: none"> • A number of authorities are now running down and closing their petty cash accounts and using debit / credit cards for ad hoc purchases. Consequently, a “Not covered” response is frequently required in this area. • Review the systems in place for controlling any petty cash and also cash floats (used for bar, catering, etc) • Check a sample of transactions during the financial year to ensure appropriate supporting documentation is held • Review the existence of evidenced periodic independent verification of the petty cash and any other cash floats held • Ensure that VAT is identified wherever incurred and appropriate • Physically check the petty cash and other cash floats held • Where bar or catering facilities are in place, ensure that appropriate cashingup procedures are in place reconciling the physical cash takings to the till “Z” total readings 	<p>Cash is not widely used, although there is a balance of £162. A float is kept for occasional use (e.g. window cleaning and office supplies) and is locked in a safe overnight. Surplus cash is banked weekly.</p>	

G. Salaries to employees and allowances to members were paid in accordance with the authority's approvals, and PAYE and NI requirements were properly applied

Suggested Testing	Control & Evaluation	Comments
<ul style="list-style-type: none"> • Ensure that, for all staff, a formal employment contract is in place together with a confirmatory letter setting out any changes to the contract • Ensure that appropriate procedures are in place for the payment of members allowances and deduction of any tax liability • Ensure that, for a sample of staff salaries, gross pay due is calculated in accordance with the approved spinal point on the NJC scale or hourly rate, if off-scale, and also with the contracted hours • Ensure that appropriate tax codes are being applied to each employee • Where free or paid for software is used, ensure that it is up to date. • For the test sample of employees, ensure that tax is calculated appropriately • Check the correct treatment of Pension contributions 	<p>Contracts are in place for the two employees, Claire Dixon and Sarah Cash.</p> <p>Appropriate procedures are in place.</p> <p>Samples payslips seen for both employees.</p> <p>These appear to be correct.</p> <p>Calculations appear to be correct.</p> <p>Calculations appear to be correct. Form s35 seen.</p>	

<ul style="list-style-type: none"> • For NI, ensure that the correct deduction and employer's contributions are applied: NB. The employers allowance is not available to councils but may be used by other authorities • Ensure that the correct employers' pension percentage contribution is being applied • Ensure that for the test sample, the correct net pay is paid to the employee with tax, NI and pension contributions correctly paid to the respective agencies. 	<p>Calculations appear to be correct.</p> <p>Calculations appear to be correct.</p> <p>Calculations appear to be correct.</p>	
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H. Asset and investment registers were complete and accurate and properly maintained. This section/assurance should be extended to include loans to or by the authority

Suggested Testing	Control & Evaluation	Comments
<p>Tangible Fixed Assets:</p> <ul style="list-style-type: none"> • Ensure that the Authority is maintaining a formal asset register and updating it routinely to record new assets at historic cost price, net of VAT and removing any disposed of / no longer serviceable assets • Physically verifying the existence and condition of high value, high risk assets may be appropriate • Ideally, the register should identify for each asset the purchase cost and, if practicable, the replacement / insured cost, the latter being updated annually and used to assist in forward planning for asset replacement • Additions and disposals records should allow tracking from the prior year to the current • Ensure that the asset value to be reported in the AGAR at section 2, line 9 equates to the prior year reported value, adjusted for the nominal value of any new acquisitions and / or disposals 	<p>Fixed asset register is maintained and has been updated during the year, showing purchase price and/or proxy value. Totals are carried forward and the register shows additions and disposals during the year.</p> <p>It would be helpful to organise spreadsheet with category totals for each type of asset (e.g. memorials, seats, play areas, etc).</p> <p>Ideally the insured amount for each asset or group of assets should be included. This would make it easier to identify where there is adequate insurance cover. Asset values total £387,677 in register but insured values (Zurich policy) are approx £760,000.</p> <p>Year-end figures from the asset register total £432,504, which agrees with the figure on line 9 of the AGAR.</p>	<p>Asset Register be reviewed in 2026/27 to include sub totals.</p> <p>Asset Register be reviewed in 2026/27 to include insurance values</p> <p>!</p>

<ul style="list-style-type: none"> • Compare the asset register with the insurance schedule to ensure that all assets as recorded are appropriately insured or “self-insured” by the Authority <p>Fixed asset investments:</p> <ul style="list-style-type: none"> • Ensure that all long-term investments (i.e., those for more than 12 month terms) are covered by the “Investment Strategy” and reported as Assets in the AGAR at section 2, line 9. <p>Borrowing and Lending:</p> <ul style="list-style-type: none"> • Ensure that the authority has sought and obtained appropriate DMO approval for all loans acquired. • Ensured that the authority has accounted for the loan appropriately (i.e., recorded the full value of the loan. Any arrangement fee should be regarded as an admin expense) in the year of receipt. • Ensure that the combined principal loan repayment and interest for the year is correctly recorded in the AGAR at section 2 line 5. • Ensure that the outstanding loan liability as at 31st March each year is correctly recorded in the AGAR at section 2, line 10 (value should be verified via the DMO website). 	<p>Asset values total £432,504 in register with insured values (Zurich policy) are approx £760,000.</p> <p>Not applicable.</p> <p>No borrowings.</p>	
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• Where the Authority has issued loans to local bodies, they should ideally seek signed indemnities from the recipient body, or their members, agreeing to underwrite the loan debt

J. Accounting statements prepared during the year were prepared on the correct accounting basis (receipts and payments or income and expenditure), agreed to the cashbook, supported by an adequate audit trail from underlying records and, where appropriate, debtors and creditors were properly recorded

Suggested Testing	Control & Evaluation	Comments
<ul style="list-style-type: none"> • Whilst IAs are not required to verify the accuracy of detail to be disclosed in the AGAR, this assertion, together with the expectation of most Authorities, effectively requires IAs to ensure that the financial detail reported at section 2 of the AGAR reflects the detail in the accounting records maintained: • Ensure that, where annual turnover exceeds £200,000, appropriate records are maintained throughout the year on an Income and Expenditure basis to facilitate budget reporting in that vein • Ensure that appropriate accounting arrangements are in place to account for debtors and creditors during the year and at the financial year-end 	<p>Amounts shown on the AGAR for Precept Income, Other Receipts, Staff Costs and Other Payments all agree with the financial records.</p> <p>Correct basis (income and expenditure) is now being used.</p> <p>Confirmed.</p>	

K. If the authority certified itself as exempt from a limited assurance review in the prior year, it met the exemption criteria and correctly declared itself exempt

Suggested Testing	Control & Evaluation	Comments
<ul style="list-style-type: none"> • IAs should ensure that, all relevant criteria are met (receipts and payments each totalled less than £25,000): • the correct exemption certificate was prepared and minuted in accordance with the statutory submission deadline • that it has been published, together with all required information on the Authority's website and noticeboard 	<p>Not applicable – receipts and payments in excess of £25,000.</p>	

L. The authority publishes information on a free to access website / web page, up to date at the time of the internal audit in accordance with the relevant legislation

Suggested Testing	Control & Evaluation	Comments
<ul style="list-style-type: none"> • IAs should review the Authority's website ensuring that all required documentation is published in accordance with the relevant legislation. 	<p>Relevant information is available on the website.</p> <p>The parish does have a gov.uk website and clerk's email.</p> <p>The website does not appear to be fully accessible and this should be reviewed in the light of the new Assertion 10 and the need to meet Web Content Accessibility Guidelines 2.2. PDFs are not accessible and quotes are being obtained to update the site accordingly.</p>	<p>Documents are now being uploaded as accessible PDF. Historic documents require review, this will take some time.</p>

O. Trust funds (including charitable) - the Council met its responsibilities as a trustee

Suggested Testing	Control & Evaluation	Comments
<ul style="list-style-type: none"> • Confirm that all charities of which the council is a Trustee are up to date with CC filing requirements • that the council is the sole trustee on the Charity Commission register • that the council is acting in accordance with the Trust deed • that the Charity meetings and accounts recorded separately from those of the council • review the level and activity of the charity and where a risk based approach suggests such, review the Independent Examiners report 	<p>Not applicable.</p>	

Section 1 – Annual Governance Statement 2025/26

We acknowledge as the members of:

Brandon & Byshottles Parish Council

our responsibility for ensuring that there is a sound system of internal control, including arrangements for the preparation of the Accounting Statements. We confirm, to the best of our knowledge and belief, with respect to the Accounting Statements for the year ended 31 March 2026, that:

	Agreed			'Yes' means that this authority:
	Yes	No*		
1. We have put in place arrangements for effective financial management during the year, and for the preparation of the accounting statements.	✓			prepared its accounting statements in accordance with the Accounts and Audit Regulations.
2. We maintained an adequate system of internal control including measures designed to prevent and detect fraud and corruption and reviewed its effectiveness.	✓			made proper arrangements and accepted responsibility for safeguarding the public money and resources in its charge.
3. We have assured 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 manage its finances.	✓			has only done what it has the legal power to do and has complied with Proper Practices in doing so.
4. We provided proper opportunity during the year for the exercise of electors' rights in accordance with the requirements of the Accounts and Audit Regulations.		✓		during the year gave all persons interested the opportunity to inspect and ask questions about this authority's accounts.
5. 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.	✓			considered and documented the financial and other risks it faces and dealt with them properly.
6. We maintained throughout the year an adequate and effective system of internal audit of the accounting records and control systems.	✓			arranged for a competent person, independent of the financial controls and procedures, to give an objective view on whether internal controls meet the needs of this smaller authority.
7. We took appropriate action on all matters raised in reports from internal and external audit.	✓			responded to matters brought to its attention by internal and external audit.
8. 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.	✓			disclosed everything it should have about its business activity during the year including events taking place after the year end if relevant.
9. (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.	Yes	No	N/A	has met all of its responsibilities where, as a body corporate, it is a sole managing trustee of a local trust or trusts.
			✓	
10. We have put in place arrangements for the effective IT and data management in accordance with proper practices during the year under review.		✓		has made suitable arrangements for its IT and data management and has complied with proper practices in doing so.

*Please provide explanations to the external auditor on a separate sheet for each 'No' response and describe how the authority will address the weaknesses identified. These sheets must be published with the Annual Governance Statement.

This Annual Governance Statement was approved at a meeting of the authority on:

19/06/2026.

and recorded as minute reference:

586. MINUTE REFERENCE

Signed by the Chair and Clerk of the meeting where approval was given:

Chair

 SIGNATURE REQUIRED

Clerk



<https://brandonandbyshottlesparishcouncil.gov.uk/WEBSITE/WEBPAGE ADDRESS>

BRANDON & BYSHOTTLES PARISH COUNCIL
ANNUAL GOVERNANCE STATEMENT YEAR ENDED 31/3/26

EXPLANATION OF “NO” RESPONSES

Assertion 4

We provided proper opportunity during the year for the exercise of electors’ rights in accordance with the requirements of the Accounts and Audit Regulations.

The Council has answered 'No' to this assertion due to the late submission of the AGAR for 2024/25 and the consequent late publication of the period for the exercise of public rights. As a result, the Council was unable to provide the proper opportunity for the exercise of electors’ rights in accordance with the requirements of the Accounts and Audit Regulations.

Assertion 10

We have put in place arrangements for the effective IT and data management in accordance with proper practices during the year under review.

The Council has put various measures in place during the year to support effective IT and data management. However, the Council is aware that its website does not currently fully comply with the Web Content Accessibility Guidelines (WCAG) 2.2 AA standard. Work is ongoing to review and improve the website's accessibility and ensure compliance with current requirements.

Section 2 – Accounting Statements 2025/26 for

Brandon & Byshottles Parish Council

	Year ending		Notes and guidance
	31 March 2025 £	31 March 2026 £	
1. Balances brought forward	258,677	199,467	Total balances and reserves at the beginning of the year as recorded in the financial records. Value must agree to Box 7 of previous year.
2. (+) Precept or Rates and Levies	241,625	242,033	Total amount of precept (or for IDBs rates and levies) received or receivable in the year. Exclude any grants received.
3. (+) Total other receipts	46,412	31,295	Total income or receipts as recorded in the cashbook less the precept or rates/levies received (line 2). Include any grants received.
4. (-) Staff costs	63,783	53,527	Total expenditure or payments made to and on behalf of all employees. Include gross salaries and wages, employers NI contributions, employers pension contributions, gratuities and severance payments.
5. (-) Loan interest/capital repayments	0	0	Total expenditure or payments of capital and interest made during the year on the authority's borrowings (if any).
6. (-) All other payments	283,464	253,011	Total expenditure or payments as recorded in the cashbook less staff costs (line 4) and loan interest/capital repayments (line 5).
7. (=) Balances carried forward	199,467	166,257	Total balances and reserves at the end of the year. must equal (1+2+3) - (4+5+6).
8. Total value of cash and short term investments	250,758	222,314	The sum of all current and deposit bank accounts, cash holdings and short term investments held as at 31 March – To agree with bank reconciliation.
9. Total fixed assets plus long term investments and assets	387,677	432,504	The value of all the property the authority owns – it is made up of all its fixed assets and long term investments as at 31 March.
10. Total borrowings	0	0	The outstanding capital balance as at 31 March of all loans from third parties (including PWLB).

For Local Councils Only	Yes	No	
11 Do the figures in the accounting statements above exclude any trust transactions?	✓		For guidance refer to the Practitioners' Guide sections 2.31 to 2.33.

I certify that for the year ended 31 March 2026 the Accounting Statements in this Annual Governance and Accountability Return have been prepared on either a receipts and payments or income and expenditure basis following the guidance in Governance and Accountability for Smaller Authorities – a Practitioners' Guide to Proper Practices and present fairly the financial position of this authority.

Signed by Responsible Financial Officer before being presented to the authority for approval.

C. Dixon SIGNATURE REQUIRED

Date *11/06/2026*

I confirm that these Accounting Statements were approved by this authority on this date:

19/06/2026

as recorded in minute reference:

M58c REFERENCE

Signed by Chair of the meeting where the Accounting Statements were approved

[Signature] SIGNATURE REQUIRED

Section 3 – External Auditor’s Report and Certificate 2025/26

In respect of

Brandon & Byshottles Parish Council

1 Respective responsibilities of the auditor and the authority

Our responsibility as auditors to complete a **limited assurance review** is set out by the National Audit Office (NAO). A limited assurance review is **not a full statutory audit**, it does not constitute an audit carried out in accordance with International Standards on Auditing (UK & Ireland) and hence it **does not** provide the same level of assurance that such an audit would. The UK Government has determined that a lower level of assurance than that provided by a full statutory audit is appropriate for those local public bodies with the lowest levels of spending.

Under a limited assurance review, the auditor is responsible for reviewing Sections 1 and 2 of the Annual Governance and Accountability Return in accordance with NAO Auditor Guidance Note 02 (AGN 02) as issued by the NAO on behalf of the Comptroller and Auditor General. AGN 02 is available from the NAO website – <https://www.nao.org.uk/code-audit-practice/guidance-and-information-for-auditors/>.

This authority is responsible for ensuring that its financial management is adequate and effective and that it has a sound system of internal control. The authority prepares an Annual Governance and Accountability Return in accordance with *Proper Practices* which:

- summarises the accounting records for the year ended 31 March 2026 and
- confirms and provides assurance on those matters that are relevant to our duties and responsibilities as external auditors.

2 External auditor’s limited assurance opinion 2025/26

(Except for the matters reported below)* on the basis of our review of Sections 1 and 2 of the Annual Governance and Accountability Return, in our opinion the information in Sections 1 and 2 of the Annual Governance and Accountability Return is in accordance with Proper Practices and no other matters have come to our attention giving cause for concern that relevant legislation and regulatory requirements have not been met. (*delete as appropriate).

(continue on a separate sheet if required)

Other matters not affecting our opinion which we draw to the attention of the authority:

(continue on a separate sheet if required)

3 External auditor certificate 2025/26

We certify/do not certify* that we have completed our review of Sections 1 and 2 of the Annual Governance and Accountability Return, and discharged our responsibilities under the Local Audit and Accountability Act 2014, for the year ended 31 March 2026

*We do not certify completion because:

External Auditor Name

ENTER NAME OF EXTERNAL AUDITOR

External Auditor Signature

SIGNATURE REQUIRED

Date

DD/MM/YYYY