

Annual Governance and Accountability Return 2024/25 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 £6.5 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 2024/25

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 2025.
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 2025. 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 2025
 - 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 2024/25

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 **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 2025 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 2024/25**, approved and signed, page 4
- **Section 2 - Accounting Statements 2024/25**, approved and signed, page 5

Not later than 30 September 2025 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) 2024/25

- 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 2025.
- The Annual Governance Statement (Section 1) must be approved on the same day or before the Accounting Statements (Section 2) and evidenced by the agenda or minute references.
- 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 as soon as practical after the date of the AGAR approval.
- 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.
- If the bank reconciliation is incomplete or variances not **fully** explained then additional costs may be incurred.
- Make sure that the accounting statements add up and that the balance carried forward from the previous year (Box 7 of 2024) equals the balance brought forward in the current year (Box 1 of 2025).
- The Responsible Financial Officer (RFO), on behalf of the authority, **must** set the commencement date for the exercise of public rights of 30 consecutive working days which **must** include the first ten 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 2025**.

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 2025 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.		✓

N/A

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 2024/25

TOFT NEWTON PARISH COUNCIL

CLERK

10 COMPLETE. <https://toft-newton.pparish.lincolnshire.gov.uk>

During the financial year ended 31 March 2025, 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 2024/25 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. Petty cash payments were properly supported by receipts, all petty 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 2023/24, it met the exemption criteria and correctly declared itself exempt. (If the authority had a limited assurance review of its 2023/24 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. <i>Published late</i>		✓	
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 2024-25 AGAR period, were public rights in relation to the 2023-24 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 2023/24 AGAR (see AGAR Page 1 Guidance Notes).	✓		
O. (For local councils only) Trust funds (including charitable) – The council met its responsibilities as a trustee.			X

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

01/07/2025

Name of person who carried out the internal audit

J T MARSH

Signature of person who carried out the internal audit

Date

01/07/2025

*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).

Section 1 – Annual Governance Statement 2024/25

We acknowledge as the members of:

TOFT NEWTON 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 2025, that:

	Agreed		
	Yes	No*	
1. We have put in place arrangements for effective financial management during the year, and for the preparation of the accounting statements.	X		<i>prepared its accounting statements in accordance with the Accounts and Audit Regulations.</i>
2. We maintained an adequate system of internal control including measures designed to prevent and detect fraud and corruption and reviewed its effectiveness.	X		<i>made proper arrangements and accepted responsibility for safeguarding the public money and resources in its charge.</i>
3. 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 manage its finances.	X		<i>has only done what it has the legal power to do and has complied with Proper Practices in doing so.</i>
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.	X		<i>during the year gave all persons interested the opportunity to inspect and ask questions about this authority's accounts.</i>
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.	X		<i>considered and documented the financial and other risks it faces and dealt with them properly.</i>
6. We maintained throughout the year an adequate and effective system of internal audit of the accounting records and control systems.	X		<i>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.</i>
7. We took appropriate action on all matters raised in reports from internal and external audit.	X		<i>responded to matters brought to its attention by internal and external audit.</i>
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.	X		<i>disclosed everything it should have about its business activity during the year including events taking place after the year end if relevant.</i>
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
			X

*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:

31/07/2025

and recorded as minute reference:

2025-019

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

Chair

Clerk

<https://toft-newton.parish.lincolnshire.gov.uk>

Section 2 – Accounting Statements 2024/25 for

ENTER NAME OF AUTHORITY

	Year ending		Notes and guidance
	31 March 2024 £	31 March 2025 £	
1. Balances brought forward	14,877.88	5,885.22	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	10,000	10,400	Total amount of precept (or for IDBs rates and levies) received or receivable in the year. Exclude any grants received.
3. (+) Total other receipts	908.01	42.00	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	4,315.25	2,531.05	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	nil	nil	Total expenditure or payments of capital and interest made during the year on the authority's borrowings (if any).
6. (-) All other payments	18,666.55	4,662.03	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	2,774.09	5,885.22	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	nil	nil	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	nil	nil	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	nil	nil	The outstanding capital balance as at 31 March of all loans from third parties (including PWLB).

For Local Councils Only	Yes	No	N/A	
11a. Disclosure note re Trust funds (including charitable)		N/A		The Council, as a body corporate, acts as sole trustee and is responsible for managing Trust funds or assets.
11b. Disclosure note re Trust funds (including charitable)			X	The figures in the accounting statements above exclude any Trust transactions.

I certify that for the year ended 31 March 2025 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

[Redacted Signature]

Date 31/07/2025

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

31/07/2025

as recorded in minute reference:

2025-019

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

[Redacted Signature]

Section 3 – External Auditor’s Report and Certificate 2024/25

In respect of

ENTER NAME OF AUTHORITY

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 2025; 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 2024/25

(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 2024/25

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 2025.

*We do not certify completion because:

External Auditor Name

ENTER NAME OF EXTERNAL AUDITOR

External Auditor Signature

SIGNATURE REQUIRED

Date

DATE REQUIRED

Toft Newton Parish Council

PO Box 1659
EPWORTH
North Lincolnshire
DN9 1UL
Tel: 07581 146213
E-mail: clerk@toftnewtonparishcouncil.gov.uk

2024-25 Year End Additional Information

The following information is required to be submitted to PKF Littlejohn LLP in addition to the information already provided.

Bank reconciliation:

Name of smaller authority: **Toft Newton Parish Council**

County area (local councils and parish meetings only): **Lincolnshire**

Financial year ending 31 March 2025

Prepared by (Name and Role): **Michael Lewis, Dip Psy (ICS), CertHE (Glouc), FCMI**

Date: **09/11/2025**

Balance per bank statements as at 31/3/2025:

	£	
Current Account	5,885.22	
Instant Access Savings Account	Balance unknown due to not having access to	
Instant Access Savings Account	accounts. – I do know it is a small balance	
Unbanked cheques	Nil	
Cash held	Nil	
	<u>5,885.22</u>	£5,885.22

Variations:

The 2024-25 budget and expenditure is detailed below, with an explanation for the variances

Expenditure:	2024-25 Projected	2024-25 Actual	Explanation for variation:
Internal Audit	£100.00	£0.00	No audit carried out due to serious illness of the RFO, meaning the Council missed the statutory deadlines.
External Audit	£250.00	£0.00	
Insurance	£1,200.00	£1,300.92	Increased cost of insurance.
Election Charges	£150.00	£0.00	Savings Account not accessible – so £150 not transferred.
Clerk's Expenses (travel & work from home expenses)	£1,000.00	£0.00	Not recorded as a separate amount – included in wages total.

Wages	£3,300.00	£2,531.05	Reduced figure due to the Clerk post being vacant.
Stationary	£100.00	£0.00	No expenditure.
Subscriptions (LALC, etc)	£200.00	£167.80	£200 was an estimate.
Training	£200.00	£0.00	No training undertaken.
Website	£300.00	£0.00	No website costs.
Grass and Hedge Cutting	£2,850.00	£2,526.90	No hedge cutting due to wet weather.
Playground Maintenance	£1,000.00	£0.00	No maintenance needed.
Playground Inspection	£100.00	£0.00	Inspection deferred.
Defibrillator	£100.00	£506.00	New case and replacement defibrillator.
Laptop & Printer	£500.00	£0.00	Deferred to a later date.
Grants	£0.00	£0.00	No grants made.
Hall Hire	£0.00	£40.00	Hire of Village Hall had been missed from the original budget.
Community Woodland	£0.00	£0.00	No expenditure required.
Football Field	£0.00	£79.90	Roller for football field
Street scene / Public Realm	£0.00	£40.51	Rock salt
Totals	£11,350.00	£7,193.08	

Income

Precept	£10,400.00	£10,400.00	
Refund	£0.00	£42.00	Refund from Clerk of SLCC subscription fees (part year).
Grass Cutting Contribution	£421.25	£0.00	£421.25 claimed in the 2025-26 year.
VAT	£537.82	£0.00	£537.82 claimed in the 2025-26 year.
Grants	£0.00	£0.00	
Interest	£0.00	£0.00	
Totals	£11,359.07	£10,442.00	

Dated 09/11/2025.



Michael Lewis.
 Parish Council Clerk, Responsible Financial Officer and Proper Officer.

Smaller authority name: TOFT NEWTON PARISH COUNCIL

**NOTICE OF PUBLIC RIGHTS AND PUBLICATION
OF UNAUDITED ANNUAL GOVERNANCE &
ACCOUNTABILITY RETURN**

ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2025

Local Audit and Accountability Act 2014 Sections 26 and 27
The Accounts and Audit Regulations 2015 (SI 2015/234)

NOTICE	NOTES
<p>1. Date of announcement <u>31/07/2025</u> (a)</p> <p>2. Each year the smaller authority's Annual Governance and Accountability Return (AGAR) needs to be reviewed by an external auditor appointed by Smaller Authorities' Audit Appointments Ltd. The unaudited AGAR has been published with this notice. As it has yet to be reviewed by the appointed auditor, it is subject to change as a result of that review.</p> <p>Any person interested has the right to inspect and make copies of the accounting records for the financial year to which the audit relates and all books, deeds, contracts, bills, vouchers, receipts and other documents relating to those records must be made available for inspection by any person interested. For the year ended 31 March 2025, these documents will be available on reasonable notice by application to:</p> <p>(b) <u>E-mailing ToftnewtonPc@outlook.com</u></p> <p>commencing on (c) Tuesday 3 June 2025 <u>FROM: FRI. 1st AUG 2025</u></p> <p>and ending on (d) Monday 14 July 2025 <u>TO: FRI. 12th SEPT. 2025</u></p> <p>3. Local government electors and their representatives also have:</p> <ul style="list-style-type: none">• The opportunity to question the appointed auditor about the accounting records; and• The right to make an objection which concerns a matter in respect of which the appointed auditor could either make a public interest report or apply to the court for a declaration that an item of account is unlawful. Written notice of an objection must first be given to the auditor and a copy sent to the smaller authority. <p>The appointed auditor can be contacted at the address in paragraph 4 below for this purpose between the above dates only.</p> <p>4. The smaller authority's AGAR is subject to review by the appointed auditor under the provisions of the Local Audit and Accountability Act 2014, the Accounts and Audit Regulations 2015 and the NAO's Code of Audit Practice 2024. The appointed auditor is:</p> <p>PKF Littlejohn LLP (Ref: SBA Team) 15 Westferry Circus Canary Wharf London E14 4HD (sba@pkf-l.com)</p> <p>5. This announcement is made by (e) </p>	<p>(a) Insert date of placing of the notice which must be not less than 1 day before the date in (c) below</p> <p>(b) Insert name, position and address/telephone number/ email address, as appropriate, of the Clerk or other person to which any person may apply to inspect the accounts</p> <p>(c) Insert date, which must be at least 1 day after the date of announcement in (a) above and exactly 30 working days before the date appointed in (d) below</p> <p>(d) The inspection period between (c) and (d) must be 30 working days inclusive and must include the first 10 working days of July.</p> <p>(e) Insert name and position of person placing the notice – this person must be the responsible financial officer for the smaller authority</p>

MICHAEL LEWIS.
RFO, CLERK + PROPER OFFICER.

J T Marsh & Son

Doncaster

info@jtmarshandson.co.uk

15th July 2025

The Responsible Financial Officer
Toft Newton Parish Council
PO Box 1659
Epworth
DN9 1UL

Dear Sir,

2024-25 Internal Audit

Thank you for asking me to look at the 2024-25 year end accounting for Toft Newton Parish Council. And thank you for answering my questions.

Being a business owner and former Town Clerk, I have occasionally carried out internal audits of small Parish Councils over the last few years. Therefore, my opinions below are based on relevant experience, knowledge and understanding.

Toft Newton Parish Council are in a position where the Parish Clerk/RFO/Proper Officer has resigned from his post for the second time is slightly over twelve months due to ongoing significant illness, last time, which includes the year in question, the post was vacant for several months before the Clerk rejoined the Council, only to resign again. This time he is staying in post until a replacement Clerk is found.

The outgoing Clerk has committed to leaving the Council with updated Standing Orders, Financial Regulations and a revised oversight system. Additionally, the Clerk will ensure Assertion 10 is met ahead of the end of the 2025-26 year end. He is also intending to implement various other policies, including a new Data Management/IT policy and is in the process of registering with the Information Commissioner's Office to ensure GDPR compliance.

The Clerk advises me that following him leaving the post in July 2024, there were difficulties accessing the bank accounts, due to the change of signatories mandate being completed incorrectly, this was only, finally resolved earlier this calendar year when the Clerk returned to the post and was able to confirm with the bank who the signatories should be, and provide an updated mandate.

The RFO plans on closing two dormant Savings Accounts that are not accessible online and transferring the small amounts in these accounts into the current account. Online Instant Access Savings Accounts will then be opened to hold various budgets and to maximise the Council's credit interest.

Meetings and records of meetings have been sporadic due to the illness of the Clerk and I understand that this has continued into the current financial year. The Clerk however, is taking steps to ensure that all meeting's related documents are accessible to Councillors through the Council's OneDrive, which should make it easier for meetings to proceed if the Clerk is ill. This is also considered by the Clerk an important step in becoming a "paper light" organisation and shows his commitment to ensuring the Council becomes as sustainable as possible.

The Council have some good intentions for developing their parish and this is likely to involve a number of grants being applied for in the coming years. The RFO assures me that he is aware that handwritten accounts are not sufficient for a Parish Council and he has committed to moving to a purposely created Excel spreadsheet, which will allow him/his successor to capture significantly more information.

Apart from the above sporadic meetings, and lack of access to the bank accounts for around four months, the biggest issue is lack of clear oversight of financial transactions.

I have instructed the RFO to provide full updates at least four times a year as per the requirements set out in the Practitioner's Guide, but that as the Council is only due to meet six times a year, it would not be unreasonable to expect a full update at each meeting.

On the RFO's suggestion, the Playground Warden was moved from the National Minimum Wage/National Living Wage to NJC terms and conditions at the beginning of the year in question. The Playground Warden being started on spinal column point (scp) 2 moving up annually to scp 5. This entitled the Playground Warden to annual increments, and the cost of living increases as well as a slight increase in their annual leave entitlement as well slightly better protections.

The Clerk has been reclaiming s126 VAT and drawing down the grant from Lincolnshire County Council which is to go towards grass cutting. This is something that his predecessor didn't do, despite the previous Internal Auditor repeatedly advising them to do so.

Overall, the financial situation at Toft Newton Parish Council is stable, but the financial management system is inadequate.

I have therefore, instructed that the Council take the following actions and implement them in full before they set their draft 2026-27 budget in November 2025.

Actions:

- Implement up to date Standing Orders.
- Implement up to date Financial Regulations.
- Implement better financial monitoring by Councillors, either through establishing a Finance Committee or through Full Council meetings.
- Introduce time sheets and expenses claims using Microsoft Forms or similar, so that once completed, the information is automatically e-mailed to the RFO.
- Ensure the bank mandate is kept up to date and that at least two Councillors and the RFO have full access to the bank account. The mandate must be updated immediately when a change happens.
- Implement an Excel spreadsheet to capture account's information and plot income and expenditure against the planned budget on a monthly basis. If grant income takes the Council's income and expenditure to a level where additional internal or external oversight would be required, then the Council should look at specialist accounting programmes, such as Scribe, Rialtas or Parish Council Accounts.
- Report full transactions to Councillors at least quarterly, but ideally at every meeting.
- Comply with Assertion 10 prior to the end of the 2025-26 year, by setting up a .gov.uk e-mail address for at least the Clerk. To ensure that the website is regularly updated and ensure compliance with the latest accessibility standards.
- Set up accounts with suppliers where possible, so that payments are made upon receipt of an invoice rather than by personal debit or credit cards.
- Provide a business Debit card to the next RFO to reduce the number of expenses claims being made.

Additionally, I have made a few recommendations, these being less critical than the actions detailed above, but they should be considered before the end of the 2025-26 financial year.

Recommendations:

- The Council work to fill the two casual vacancies for Councillors which have been vacant for a number of years.

- Introduce a Councillor's Expenses policy based on the recommendations of the West Lindsey District Council's Independent Remuneration Panel, so that Councillors can legitimately claim expenses.
- Consider increasing the precept by 3% per year to keep up with rising costs.
- That Toft Newton Parish Council use the Internal Audit service provided by Lincolnshire Association of Local Councils (LALC) going forward to ensure compliance and that the Council continues to grow its members, its services and its value within the parish.

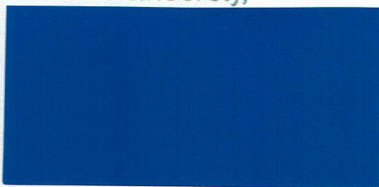
While the Clerk has been severely limited due to illness, he is committed to leaving the Council in a better position than it was when he joined the Council for the first time in 2022. By this he means ensuring, policies, procedures and operational practices are better and that issues caused by the ill health of a Clerk do not significantly impact the integrity of the Council.

In light of the above, and the failure to submit the AGAR for the 2023-24 year, had the Clerk been remaining in post, I would have suggested stripping him of the RFO role.

As the Clerk is leaving, but is committed to ensuring his replacement is better prepared via an actual handover and new policies in place, Toft Newton Parish Council is likely not to experience further delays in submitting their year end reports.

I trust this report addresses the concerns raised by the current external auditors and goes some way to helping the Council resolve any issues that may arise.

Yours sincerely,



J T Marsh
Proprietor

Annual Governance and Accountability Return 2024/25 Form 2

To be completed only by Local Councils, Internal Drainage Boards and other smaller authorities* where the higher of gross income or gross expenditure was £25,000 or less, that meet the qualifying criteria, and that wish to CERTIFY themselves as EXEMPT from a limited assurance review

Guidance notes on completing Form 2 of the Annual Governance and Accountability Return 2024/25

1. Every smaller authority in England where the higher of gross income or gross expenditure was £25,000 or less **must**, after the end of each financial year, complete Form 2 of the Annual Governance and Accountability Return in accordance with *Proper Practices*, unless the authority:
 - a) does not meet the qualifying criteria for exemption; or
 - b) does not wish to certify itself as exempt
2. Smaller authorities where the higher of all gross annual income or gross annual expenditure **does not exceed** £25,000 and that meet the qualifying criteria as set out in the Certificate of Exemption **are able to declare themselves exempt** from sending the completed Annual Governance and Accountability Return to the external auditor for a limited assurance review **provided** the authority **completes**:
 - a) The **Certificate of Exemption**, page 3 and returns a copy of it to the external auditor **either** by email or by post (not both) **no later than 30 June 2025**. Failure to do so will result in reminder letter(s) for which the Authority will be charged £40 +VAT for each letter; and
 - b) The **Annual Governance and Accountability Return (Form 2)** which is made up of:
 - c) **Annual Internal Audit Report (page 4)** must be completed by the authority's internal auditor.
 - d) **Section 1 – Annual Governance Statement (page 5)** must be completed and approved by the authority.
 - e) **Section 2 – Accounting Statements (page 6)** must be completed and approved by the authority.**NOTE: Authorities certifying themselves as exempt SHOULD NOT send the completed Annual Governance and Accountability Return to the external auditor.**
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 2025**.

Publication Requirements

Smaller authorities **must** publish various documents on a publicly available website as required by the Accounts and Audit Regulations 2015, the Local Audit (Smaller Authorities) Regulations 2015 and the Transparency Code for Smaller Authorities. These include:

- **Certificate of Exemption**, page 3
- **Annual Internal Audit Report 2024/25**, page 4
- **Section 1 – Annual Governance Statement 2024/25**, page 5
- **Section 2 – Accounting Statements 2024/25**, page 6
- Analysis of variances
- Bank reconciliation
- Notice of the period for the exercise of public rights and other information required by Regulation 15 (2), Accounts and Audit Regulations 2015.

Superseded by
Form 3
attached.

Limited Assurance Review

Any smaller authority may request a limited assurance review. If so, the authority should not certify itself as exempt or complete the Certificate of Exemption. Instead it should complete Form 3 of the AGAR 2024/25 and return it to the external auditor together with the supporting documentation requested by the external auditor. The cost to the authority for the review will be **£210 +VAT**.

Provided that the authority certifies itself as exempt, and completes and publishes the documents listed under 'Publication Requirements', there is no requirement for the authority to have a review.

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 2 of the Annual Governance and Accountability Return (AGAR) 2024/25, Sections 1 and 2

- An authority that wishes to declare itself exempt from the requirement for a limited assurance review must do so at a meeting of the authority after 31 March 2025. It should not submit its Annual Governance and Accountability Return to the external auditor. However, as part of a more proportionate regime, the authority **must** comply with the requirements of the Transparency Code for Smaller Authorities.
- The Certificate of Exemption must be returned to the external auditor no later than **30 June 2025**. Reminder letters will incur a charge of £40 +VAT for each letter.
- The authority **must** comply with *Proper Practices* in completing Sections 1 and 2 of this AGAR and the Certificate of Exemption. 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.
- The authority **should** receive and note the Annual Internal Audit Report before approving the Annual Governance Statement and the accounts.
- The Annual Governance Statement (Section 1) must be approved on the same day or before the Accounting Statements (Section 2) and evidenced by the agenda or minute references
- 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 as soon as practical after the date of the AGAR approval.
- 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.
- Use the checklist provided below to review the AGAR for completeness at the meeting at which it is signed off.
- **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.**
- The authority must publish numerical and narrative explanations for significant variances in the accounting statements on **page 6**. Guidance is provided in the *Practitioners' Guide** which may assist.
- Make sure that the accounting statements add up and the balance carried forward from the previous year (Box 7 of 2024) equals the balance brought forward in the current year (Box 1 of 2025).
- The Responsible Financial Officer (RFO), on behalf of the authority, **must** set the commencement date for the exercise of public rights of 30 consecutive working days which **must** include the first ten 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 2025**.

Completion checklist – 'No' answers mean you may not have met requirements		Yes	No
All sections	Have all highlighted boxes been completed?	✓	
	Have the dates set for the period for the exercise of public rights been published?	✓	
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', is an explanation available for publication?	✓	
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 2025 been reconciled to Box 8?	✓	
	Is an explanation of any difference between Box 7 and Box 8 available, should a question be raised by a local elector and/or an interested party?	✓	
Sections 1 and 2	Trust funds – have all disclosures been made if the authority as a body corporate is a sole managing trustee? (<i>Local Councils only</i>)		✗

***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

Certificate of Exemption – AGAR 2024/25 Form 2

To be completed by smaller authorities where the higher of gross income or gross expenditure did not exceed £25,000 in the year of account ended 31 March 2025, and that wish to certify themselves as exempt from a limited assurance review under Section 9 of the Local Audit (Smaller Authorities) Regulations 2015

There is no requirement to have a limited assurance review or to submit an Annual Governance and Accountability Return to the external auditor, **provided** that the authority has certified itself as exempt at a meeting of the authority after 31 March 2025 and a completed Certificate of Exemption is submitted no later than **30 June 2025** notifying the external auditor.

TOFT NEWTON PARISH COUNCIL

certifies that during the financial year 2024/25, the higher of the authority's total gross income for the year or total gross annual expenditure, for the year did not exceed **£25,000**

Total annual gross income for the authority 2024/25: **10,442.00**

Total annual gross expenditure for the authority 2024/25: **7,193.08**

There are certain circumstances in which an authority will be **unable to certify itself as exempt**, so that a limited assurance review will still be required. If an authority **is unable to confirm the statements below then it cannot certify itself as exempt** and it **must** submit the completed Annual Governance and Accountability Return Form 3 to the external auditor to undertake a limited assurance review for which a fee of **£210 +VAT** will be payable.

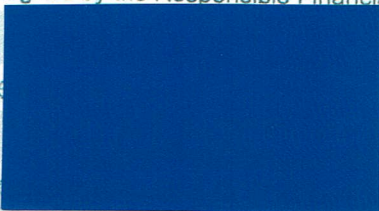
By signing this **Certificate of Exemption** you are confirming that:

- The authority was in existence on 1st April 2021
- In relation to the preceding financial year (2023/24), the external auditor **has not**:
 - issued a public interest report in respect of the authority or any entity connected with it
 - made a statutory recommendation to the authority, relating to the authority or any entity connected with it
 - issued an advisory notice under paragraph 1(1) of Schedule 8 to the Local Audit and Accountability Act 2014 ("the Act"), and has not withdrawn the notice
 - commenced judicial review proceedings under section 31(1) of the Act
 - 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
- The court has not declared an item of account unlawful after a person made an appeal under section 28(3) of the Act.

If the above statements apply and the authority neither received gross income, nor incurred gross expenditure, exceeding £25,000, then the Certificate of Exemption can be signed and a copy submitted to the external auditor **either** by email **or** by post (not both).

The Annual Internal Audit Report, Annual Governance Statement, Accounting Statements, an analysis of variances and the bank reconciliation plus the information required by Regulation 15 (2), Accounts and Audit Regulations 2015 including the period for the exercise of public rights still need to be fully completed and, along with a copy of this certificate, published on the authority website/webpage* before 1 July 2025.

Signing this certificate confirms the authority will comply with the publication requirements.

Signed by the Responsible Financial Officer	Date	I confirm that this Certificate of Exemption was approved by this authority on this date:	31 07 2025
	31 07 2025		
	Date	as recorded in minute reference:	31 07 2025
	31 07 2025	MINUTE REFERENCE	
		Telephone number	07581146213
	TOFTNEWTONPC@OUTLOOK.COM		

*Published web address

ENTER PUBLICLY AVAILABLE WEBSITE/WEBPAGE ADDRESS

ONLY this Certificate of Exemption should be returned EITHER by email OR by post (not both) as soon as possible after certification to your external auditor, but no later than 30 June 2025. Reminder letters for late submission will incur a charge of £40 + VAT.

Annual Internal Audit Report 2024/25

ENTER NAME OF AUTHORITY

ENTER PUBLICLY AVAILABLE WEBSITE/WEBPAGE ADDRESS

During the financial year ended 31 March 2025, 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 2024/25 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. Petty cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for.			✓ 2023-24
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 2023/24, it met the exemption criteria and correctly declared itself exempt. (If the authority had a limited assurance review of its 2023/24 AGAR tick "not covered")	✓ JIM		✓
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 2024-25 AGAR period, were public rights in relation to the 2023-24 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 2023/24 AGAR (see AGAR Page 1 Guidance Notes).	✓		
O. (For local councils only) Trust funds (including charitable) – The council met its responsibilities as a trustee.	Yes	No	Not applicable
			✓

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

01 07 2025 DD/MM/YY

Name of person who carried out the internal audit

JOHN TONY MARSH

Signature of person who carried out the internal audit

Date

01 07 2025

*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).

Section 1 – Annual Governance Statement 2024/25

We acknowledge as the members of:

TOFT NEWTON 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 2025, 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.	X			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.	X			made proper arrangements and accepted responsibility for safeguarding the public money and resources in its charge.
3. 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 manage its finances.	X			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.	X			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.	X			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.	X			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.	X			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.	X			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.
			X	

*For any statement to which the response is 'no', an explanation must be published

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

31 09 2025

and recorded as minute reference:

2025-019 ICE

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

Chair

Clerk



Information required by the Transparency Code (not part of the Annual Governance Statement)

The authority website/webpage is up to date and the information required by the Transparency Code has been published.

Yes No

X

ENTER PUBLICLY AVAILABLE WEBSITE/WEBPAGE ADDRESS

Section 2 – Accounting Statements 2024/25 for

TOFT NEWTON PARISH COUNCIL

	Year ending		Notes and guidance
	31 March 2024 £	31 March 2025 £	
1. Balances brought forward 14,847.88 50	2,163.36	5,885.22	Please round all figures to nearest £1. Do not leave any boxes blank and report £0 or Nil balances. All figures must agree to underlying financial records. 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	10,000	10,400	Total amount of precept (or for IDBs rates and levies) received or receivable in the year. Exclude any grants received.
3. (+) Total other receipts	908.01	42.00	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	4,315.25	2,531.05	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	nil	nil	Total expenditure or payments of capital and interest made during the year on the authority's borrowings (if any).
6. (-) All other payments	18,666.55	4,662.03	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 2,774.09 50	2,163.36	5,885.22	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	nil	nil	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	nil	nil	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	nil	nil	The outstanding capital balance as at 31 March of all loans from third parties (including PWLB).

For Local Councils Only	Yes	No	N/A	
11a. Disclosure note re Trust funds (including charitable)		N/A		The Council, as a body corporate, acts as sole trustee and is responsible for managing Trust funds or assets.
11b. Disclosure note re Trust funds (including charitable)			X	The figures in the accounting statements above exclude any Trust transactions.

I certify that for the year ended 31 March 2025 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

[Signature] RED
Date 31.07.2025

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

31.07.2025

as recorded in minute reference:
2025-019 ENG

Signed by Chair of the meeting where the Accounting Statements were approved
[Signature] RED