

Honiton Town Council

Full Council

8 June 2026

Draft Annual Governance and Accountability Return (AGAR) 25/26

Purpose of Report

This report describes actions taken by the Council that support its positive assertions in the annual governance return 25/26.

Recommendations:

On the Recommendation from Finance & Policy Committee May 27, Council is asked to comment on and complete of the 2025/26 AGAR:

- a. **RESOLVES** to complete and approve Section 1: Annual Governance Statement 2025/26; and
- b. **RESOLVES** to approve Section 2: Accounting Statement 2025/26.

Background:

1. Each year all local Councils (unless exempt – income/expenditure less than £25k), including Honiton Town Council, must submit the Annual Governance and Accountability Return (AGAR) for a limited assurance review.
2. That includes several statements reflecting Governance.
3. Councils also have to submit their Internal Audit Certificate. The Council commissions IAC as internal auditor and Committee receives its interim and final reports and the Council's action plan.
4. In addition, the Council's AGAR must be published (Notice of Public Rights and Publication of Unaudited Annual Governance & Accountability Return); being a period early July when electors can review the AGAR and challenge with the external auditor.
5. In addition, the Council's Accountability return is based on the end of year accounts closedown, including schedules of variance (from last year), reconciliations and creditors/debtors.

Report:

6. The following questions are asked in the Governance statement, along with evidence of the Council's compliance (*italics*). This is intended to provide Councillors with

information that demonstrates that a positive assertion can be given for each statement.

1. We have put in place arrangements for effective financial management during the year, and for the preparation of the accounting statements.

The Council has prepared its accounting statements in accordance with the Accounts and Audit Regulations. The Council's financial management is implemented as required by its Financial Regulation and internal control, records reconciliation, using the Rialtas software system with internal audit. After approval, accounts are published for inspection and challenge.

2. We maintained an adequate system of internal control including measures designed to prevent and detect fraud and corruption and reviewed its effectiveness.

There is a system of internal control including levels of delegation of authority, authorisation of payments, reconciliation. Obtaining value for money is demonstrable. Procurement and administration of contracts is managed in line with Financial Regulations, Tenders, contract award and administration. Budget and Precept setting is based on recommendations from Committees and following public consultation.

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.

The Council has adopted the GPC, has taken actions to avoid conflicts of interest, appointed an internal auditor, taken advice from DALC, South West Councils and NALC, has appointed professional advisors (eg accountancy and legal). Council has checked Powers used, which has been subject to public challenge and satisfied external audit. The annual Statement of Internal Control and the Corporate Risk Assessment identify risks and mitigation measures. Service/event risk assessments are prepared and actioned and a review/renewal of H&S Policy and Statement has been undertaken.

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.

Council published its Notice of Public Rights and Publication of Unaudited Annual Governance & Accountability Return, which was challenged 23/24 and 24/25 and the Council's response has satisfied external audit. The Council has a Publication Scheme (following ICO model). All payments are public (included on monthly Full Council Agenda/Minutes).

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.

Council has a risk management policy and a corporate risk register which has been reviewed during 25/26 in May 25, November 25 and February 26 including to check mitigation measures. Council has many service/event specific risk assessments. Insurance is provided by Zurich and has not been drawn upon in 25/26.

6. We maintained throughout the year an adequate and effective system of internal audit of the accounting records and control systems.

The Council appointed internal auditor (IAC) has completed both an interim and final internal audit, with report, against which the Council has stated its corrective actions (all of which has been reported to F&P Committee). F&P Committee has reviewed effectiveness of internal auditor (December 25).

7. We took appropriate action on all matters raised in reports from internal and external audit.

Council has stated its actions arising from internal audit which are checked by internal auditor and reported to F&P Committee. Whilst there have been public challenges (made to the external auditor) the Council has responded (with information) to the external auditor enabling its investigation and it has concluded no actions needed by the Council.

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.

Everything about the Council business activity during the year including events taking place after the year end if relevant have been disclosed in this AGAR.

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.

n/a

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

Council has made suitable arrangements for its IT and data management and has complied with proper practices in doing so. This has been described in a

separate reports to F&P Committee: Assertion 10 (October 25, February 26 and May 26).

7. In May 26, Finance & Policy considered its response to the Assertions in the Governance Statement and Recommend to Full Council that a positive (yes) assertion if provided to all Assertions.
8. In addition, Council must submit its Accountability Statement. This has been based on the closedown of accounts 25/26, including its Assets Register, borrowing. creditors/debtors and certified by the RFO.
9. The Council's internal auditor has provided the Internal Audit Report and Certificate 25/26.
10. On the Recommendation from Finance & Policy Committee May 27, Council is asked to comment on and complete of the 2025/26 AGAR:
 - a. **RESOLVES** to complete and approve Section 1: Annual Governance Statement 2025/26; and
 - b. **RESOLVES** to approve Section 2: Accounting Statement 2025/26.

Name: Stephen Hill
Post: Town Clerk
Month year: 1 June 2026