APPENDICES

4

INTERNAL AUDIT 2026

East Midlands Audit Services Ltd

INTERNAL AUDIT REPORT/CHECKLIST FOR MATLOCK TOWN COUNCIL FOR THE YEAR ENDING 31 MARCH 2026

Further to the Internal Audit of Accounts I carried out on 10 May 2026, I confirm that the annual audit was carried out in accordance with the suggested approach contained in the Smaller Authorities Proper Practices Panel (SAPPP) - Practitioners' Guide 2025 to be applied in the preparation of statutory annual accounts and governance statements 2025/26.

Page 3 of the 2025/26 AGAR form has been signed off accordingly.

Signed E Smith 10 May 2026

East Midlands Audit Services Ltd

1.	**Book Keeping**		**Comments**
1.1	Ledgers maintained and up to date?	Yes	Software used – Scribe
1.2	Arithmetic correct?	Yes	

2. Financial Regulations and Standing Orders			**Comments**
2.1	Standing Orders adopted, up to date and reviewed annually?	Yes	FC 19/05/2025 – AM18/25
2.2	Financial Regulations adopted, up to date and reviewed annually?	Yes	FC 19/05/2025 – AM17/25
2.3	FRs properly tailored to council?	Yes	
2.4	RFO appointed – In accordance with proper practices and with reference to section 151 of the Local Government Act 1972.	No	Formal approval at FC for appointment of RFO.
2.5	Review of procedures in place for acquisition of formal tenders and quotes ensuring they are in line with the SO & FR which should be based on the latest version	Yes	Standing Orders and Financial Regulations to be approved at next Corporate meeting with the latest version.

2.6	Ensure that consistent values are in place for acquisition of formal tenders between SO & FR (different values may be in two documents)	Yes	
2.7	Review the procedures for receipts of invoices, agreement of invoice detail and confirmation of goods/services delivery and approval for payment	Yes	
2.8	Check that there is effective segregation between the writing of cheques and or setting up of online payments and physical release of payments	Yes	Unity and Lloyds RFO submits payments they are then approved by Clerk. RBS – just RFO submits and approves payments
2.9	List of member interests held?	Yes	Website missing ROI for a number of Councillors, suggest linking it to District Council website.
2.10	Agendas signed, informative and displayed with 3 clear days' notice? Local Government Act 1972, Schedule 12 Part 2, paragraph 10, sub paragraph 2. APM 7 clear days LGA 1972, Sch 12, para 15.	Yes Yes	Checked agendas issued throughout 2025/26.

3. Payment Controls			**Comments**
3.1	Is there supporting paperwork for payments with appropriate authorisation (two signatories)(Full Council Approval) ?	Yes	Payments approved by Corporate Committee.
3.2	Check that VAT reclaims are prepared and submitted in a timely manner in line with the underlying records and in accordance with current HMRC requirements	Yes	All claims have been submitted – quarterly returns.
3.3	Has the Council adopted the General Power of Competence (GPC) and is there evidence this is being applied correctly? (At least 2/3 elected members and a qualified Clerk (CilCA or higher)	N/A	

	resolved at the Annual Council meeting after an election)		
3.4	S137 separately recorded and within limits?	N/A	
3.5	S137 expenditure of direct benefit to electorate?	N/A	
3.5	S137 expenditure minuted?	N/A	
3.6	Where applicable, are payments of interest and principal sums in respect of loans paid in accordance with agreements?	N/A	No loans
3.7	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.	Yes	Debit card – only Clerk has access.

4. Risk Management			**Comments**
4.1	Does scan of minutes reveal any unusual activity?	No	
4.2	Annual risk assessment carried out at least annually?	No	Risk Assessment due to be adopted at next Corporate Committee meeting.
4.3	Insurance cover appropriate and adequate – employment, public liability and fidelity guarantee and has been reviewed on an annual basis?	Yes	Fidelity insurance held – review as this is £500K
4.5	Internal financial controls documented and evidenced?	Yes	Within Financial Regulations Suggest adopting an Internal Control Policy
4.6	Evidence that a review of the effectiveness of internal audit was conducted during the year, including consideration of the independence and competence of the internal auditor prior to their appointment	Yes	Corporate Committee – 23/06/2026 CC482/25
4.7	Ensure that appropriate arrangements are in place for monitoring play areas,	N/A	

	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		

5. Budget			**Comments**
5.1	Annual budget has been properly prepared before the budget is set and agreed at Full Council.	Yes	FC 19/01/2026 2562/26
5.2	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.	Yes	£377,681
5.3	Precept amount has been agreed at Full Council and clearly minuted	Yes	FC 19/01/2026 2562/26 £395,432 Amount agreed should be minuted by FC.
5.4	Reserves held – general and earmarked Reserve Policy held?	Yes No	General Reserves only Suggest adopting a Reserves Policy
5.5	Regular reporting of expenditure and variances from budget?	No	Not regular during year.

6. Income Controls			**Comments**
6.1	Is income properly recorded and promptly banked?	Yes	
6.2	Is income reported to Full Council?	Yes	Corporate Committee
6.3	Does the precept record agree to the Council Tax Authority's notification?	Yes	

6.4	Review of 'aged debtors' listings to ensure appropriate follow up action is in place.	Yes	Debtors report taken to Corporate meeting. £3,089.50 as at 31 March 2026
6.5	Allotments; ensure that appropriate signed tenancy agreements exist, that an appropriate register of tenants is maintained, identifying that debtors are monitored.	Yes	Started using Scribe for allotments. Tenancy agreements in place. RFO holds register of tenants and chases payments.
6.6	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)	N/A	
6.7	Hall hire: ensure that an effective diary system for bookings is in place identifying the hirer, hire times and ideally cross-referenced to invoices raised.	Yes	*Started using Scribe bookings.* *Manual diary system used prior to this.*
6.8	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.	Yes	

7. Petty Cash			**Comments**
7.1	Is petty cash in operation?	Yes	£50.00
7.2	If appropriate, is there an adequate control system in place?	Yes	
7.3	Review the systems in place for controlling any petty cash and also cash floats (used for bar, catering, etc).	Yes	
7.4	Check a sample of transactions during the financial year to ensure appropriate supporting documentation is held.	Yes	

7.5	Review the existence of evidenced periodic independent verification of the petty cash and any other cash floats held.	Yes	
7.6	Ensure that VAT is identified wherever incurred and appropriate	Yes	
7.7	Physically check the petty cash and other cash floats held.	Yes	
7.8	Where bar or catering facilities are in place, ensure that appropriate cashing-up procedures are in place reconciling the physical cash takings to the till “Z” total	N/A	

8 .	Payroll – Staff		Comments
8.1	Ensure that, for all staff, a formal employment contract is in place together with a confirmatory letter setting out any changes to the contract.	Yes	1 contract missing, Clerk will issue an updated contract of employment.
8.2	Ensure that appropriate procedures are in place for the payment of members allowances and deduction of any tax liability.	Yes	
8.3	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.	Yes	
8.4	Ensure that appropriate tax codes are being applied to each employee.	Yes	
8.5	Where free or paid for software is used, ensure that it is up to date.	Yes	Sage
8.6	For the test sample of employees, ensure that tax is calculated appropriately.	Yes	

8.7	Check the correct treatment of Pension contributions	Yes	
8.8	Ensure that the correct employers' pension percentage contribution is being applied.	Yes	
8.9	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	Yes	
8.10	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	Yes	
8.11	Has council approved salary paid?	Yes	
8.12	Have pension re-declaration duties been carried out?	Yes	13/10/2025
8.13	Other payments reasonable and approved by council?	Yes	
8.14	Minimum wage paid?	Yes	

9. Asset Control			**Comments**
9.1	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.	Yes	
9.2	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.	Yes	
9.3	Additions and disposals records should allow tracking from the prior year to the current.	Yes	
9.4	Ensure that the asset value to be reported in the AGAR at section 2, line 9 equates to	Yes	Last year £1,283,555

	the prior year reported value, adjusted for the nominal value of any changes.		This year £1,514,741
9.5	Compare the asset register with the insurance schedule to ensure that all assets as recorded are appropriately insured or "self-insured" by the Authority.	Yes	
9.6	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.	Yes	
Fixed asset investments:			
9.7	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.	N/A	

10. Borrowing and Lending			**Comments**
10.1	Ensure that the authority has sought and obtained appropriate UK Debt Management Office approval for all loans acquired.	N/A	No loans
10.2	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.	N/A	No loans
10.3	Ensure that the combined principal loan repayment and interest for the year is correctly recorded in the AGAR at section 2 line 5.	N/A	No loans
10.4	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 from the lender and verification provided to the IA by the clerk/RFO).	N/A	No loans
10.5	Where the Authority has issued loans to local bodies, they should ideally seek signed indemnities from the recipient	N/A	No loans issued

	body, or their members, agreeing to underwrite the loan debt.		

11. Bank Reconciliations			Comments
11.1	Is there a bank reconciliation for each account?	Yes	
11.2	Reconciliation carried out on receipt of statement?	Yes	
11.3	Do the individual bank balances agree with the bank statements as at 31 March?	Yes	
11.4	Is there regular reporting of bank balances at Council meetings?	Yes	Corporate Committee

12. Year End Procedures			Comments
12.1	Has the appropriate end of year AGAR documents been completed?	Yes	
12.2	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 for the financial year. Consequently, IAs should: • 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.	Yes	Income and Expenditure
12.3	IAs should ensure that, all relevant criteria are met (receipts and payments each totalled less than £25,000)	N/A	

	● 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.		
12.4	IAs should review the Authority's website ensuring that all required documentation is published in accordance with the relevant legislation.	No	Transparency Code not followed.
12.5	IAs should acquire / examine a copy of the required "Public Notice" ensuring that it clearly identifies the statutory 30 working day period when the Authority's records are available for public inspection. IAs may also check whether authorities have minuted the relevant dates at the same time as approving the AGAR.	Yes	01/07/2026 to 11/08/2026
12.6	IAs should ensure that the statutory disclosure / publication requirements in relation to the prior year's AGAR have been met as detailed on the front page of the current year's AGAR.	No	Notice of Public Rights – 01/07/2025 to 11/08/2025 Conclusion of audit not published due to not receiving certificate from external auditor
12.7	Roll forward of the prior year cashbook balances to the new financial year	Yes	Scribe moves across balances at year end.
12.8	Sample Financial Transactions in cashbooks to bank statements (Appendix 1)	Yes	As below

13. Internal Audit			**Comments**
13.1	Has the Council considered the previous internal audit report?	Yes	Corporate Committee 23/06/2026 CC482/25
13.2	Has appropriate action been taken regarding the recommendations raised?	No	Council has made a start to act upon the recommendations made during the last internal audit.
13.3	Has the Council confirmed the appointment of an internal auditor?	No	Appointment has not been approved by Council.
13.4	Has the letter of engagement been approved by Full Council?	No	

14. External Audit			Comments
14.1	Has the Council considered the previous external audit report?	No	External audit certificate not received
14.2	Has appropriate action been taken regarding the comments raised?	N/A	
15. Other Information			**Comments**
15.1	Was the annual meeting held in accordance with legislation? (First item of business – appoint Chair) (Annual Council meeting to be held in May)	Yes	FC 19/05/2025 AM01/25
15.2	Is there evidence that Minutes (Full Council and all Committees) are administered in accordance with legislation? (LGA 1972 schedule 12 Para 41(1) and 44 – Unapproved minutes of the meeting should be formally approved (with any necessary amendments) at the next meeting. The Chair is given formal approval to sign the minutes)	Yes	Minutes on the website state unapproved.
15.3	Is there a list of members interests held?	N/A	See earlier comments
15.4	• 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 are 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.	N/A	
15.5	Has the Transparency code been correctly applied, and information	No	

	published in accordance with current legislation?		
15.6	Has the Council registered with the Information Commissioners Office (ICO)?	Yes	Z2930933 Expiry – 13/11/2026 Tier 1
15.7	Is the Council compliant with the General Data Protection requirements?	Yes	FC 21/10/2024 CC4321/24
15.8	Has the Council published a website accessibility statement on their website in line with Regulations?	Yes	
15.9	Does the Council have official email addresses/ for correspondence owned and paid for by Council?	Yes	enquiries@matlock.gov.uk
15.10	Is the Council website meeting WCAG2.2AA (Website accessibility guidelines)?	Yes	AIM score 6.9 out of 10
15.11	Has the Council updated their website accessibility statement?	No	Statement requires updating to WCAG2.2AA and last review date was 2020.
15.12	Does the Council have an up to date IT Policy?	No	
15.13	Is there evidence that electronic files are backed up?	Yes	Cloud Hard drive connected to server, copies of backups kept off site exchanged weekly.
15.14	Do the terms of reference exist for all committee and is there evidence these are regularly reviewed?	Yes	FC 20/05/2025 - 0525/3650 Corporate Events Environment Planning

Annual Return (Page 5)			
		Year ending 31 March 2025	Year ending 31 March 2026
		RESTATED £	£
1	Balances brought forward	88,916	128,897
2	Annual precept	366,716	377,681
3	Total other receipts	92,536	73,979
4	Staff costs	273,887	269,241
5	Loan interest/capital repayments	0	0
6	Total other payments	145,384	154,956
7	Balances carried forward	128,897	156,360
8	Total cash and investments	109,513	147,828
9	Total fixed assets and long term investments and assets	1,283,555	1,514,741
10	Total borrowings	0	0
11	Section 2 annual return figures completed and cross referenced	Yes	Yes

Appendix 1

Payee invoice check	Russells Ltd	Five Counties Groundworks
Ledger date	30/09/2025	22/12/2025
Item/Budget heading	Equipment	Groundworks
Ref/cheque no.	BACS	BACS
Payment minute ref	CC501/25	CC520/26
Invoice value	£263.42	£3,600.00
Minute value	£263.42	£3,600.00
Payment value	£263.42	£3,600.00
Bank Statement value	£263.42	£3,600.00
Timely payment	Yes	Yes
VAT recorded	Yes (£ 42.15)	Yes (£600.00)
S137 recorded	N/A	N/A
S137 minuted	N/A	N/A

Recommendations

The following recommendations are made to strengthen governance, financial management, transparency, and compliance within the Council:

1. The appointment of the Responsible Financial Officer (RFO) should be formally recorded in the minutes of a Council meeting to provide a clear audit trail and evidence of Council approval.
2. The Financial Regulations should be reviewed and amended to accurately reflect the operation of the RBS bank account, specifically noting the absence of dual authorisation arrangements.
3. The Parish Council website should be updated to include the Register of Members' Interests. Alternatively, a clear and accessible link to the relevant District Council webpage should be provided.
4. A formal Risk Assessment should be adopted by the Council and reviewed annually to ensure that key risks are identified, monitored, and managed effectively.
5. The Council should review the current level of Fidelity Guarantee Insurance, presently £500,000, to ensure that cover remains adequate for the level of funds and assets held.
6. An Internal Control Policy should be considered, approved, and adopted by the Council to strengthen the governance framework and financial controls.
7. A formal Reserves Policy should be developed and adopted to provide transparency and clarity regarding the purpose and level of both general and earmarked reserves.
8. The employment records and contract documentation should be reviewed to ensure that all employee contracts are complete, current, and retained appropriately.
9. The Council should review compliance with the Transparency Code requirements applicable to authorities with annual turnover exceeding £200,000 and ensure all mandatory information is published.
10. The appointment of the Internal Auditor and consideration of the auditor's Letter of Engagement should be formally considered and recorded in Council minutes.
11. The Website Accessibility Statement should be reviewed, updated where necessary, and displayed prominently on the Parish Council website to ensure compliance with accessibility requirements.

12. Original bank statements should be reviewed and signed by two Councillors when presented alongside financial reports at Council or Corporate meetings, providing additional assurance and oversight.
13. Councillors should consider undertaking periodic internal governance and financial reviews throughout the year to strengthen monitoring arrangements and support effective decision-making.
14. Councillors may wish to consider obtaining view-only access to the Scribe accounting system, enabling greater transparency and facilitating oversight of financial records and transactions.

Conclusion

The Internal Audit has found that the Council generally operates with sound financial procedures and governance arrangements. However, a number of areas have been identified where improvements would enhance compliance, transparency, accountability, and internal control. The recommendations contained within this report are intended to support the Council in strengthening its governance framework and ensuring continued adherence to statutory and regulatory requirements. Consideration and implementation of these recommendations will further demonstrate the Council's commitment to effective stewardship of public funds and good governance practices.

The Clerk and/or RFO should certify the accounts before the full council approves them.

The Notice for the public inspection period must detail that it is for a single period of 30 working days and must include the first ten days of July (ie 03.06 – 14.07 or 01.07-11.08

5
CERTIFICATE OF EXEMPTION

PURPOSE OF REPORT
To ask the Council to determine which of the 3 forms we need to complete for our Annual Review.

BACKGROUND
Form 1: A Certificate of Exemption which declares we had no financial transactions in 2025-2026
Form 2: A Limited Assurance review which declares where the higher of our gross income or gross expenditure was no more than £25,000 for 2025-2026
Form 3: Annual Governance Statement which declares where the higher of our gross income or gross expenditure was over £25,000 but not higher than £15,000,000

SUMMARY
See forms in appendices

RECOMMENDATION
To use form 3, the annual governance statement as our gross income was £448,410.75

OTHER CONSIDERATIONS

In preparing this report the relevance of the following factors has also been taken into consideration: Prevention of Crime and Disorder; equalities; environmental; climate change; health; human rights and personnel and property.

Dated: 17/06/2026

DECLARATION OF NO ACCOUNTS

Annual Governance and Accountability Return 2025/26 Form 1

ONLY to be completed by PARISH COUNCILS AND OTHER SMALLER AUTHORITIES* (other than Parish Meetings) that are able to declare that they have had NO FINANCIAL TRANSACTIONS in the year of account 2025/26 and can certify themselves exempt from a limited assurance review.

Guidance notes on completing Form 1 of the Annual Governance and Accountability Return 2025/26

Smaller authorities that have had no financial transactions in the year of account 2025/26 **must**

1. Complete the attached **Declaration of No Accounts and Certificate of Exemption** following a meeting of the authority after 31 March 2026
2. Return a copy to the external auditor **either** by email **or** by post (not both) **no later than 30 June 2026** The external auditor only notes that the authority has certified itself as exempt from a limited assurance review
3. Publish on the authority website/webpage a copy of the **Declaration of No Accounts and Certificate of Exemption BEFORE 1 July 2026**

   Note: It is a legal requirement that you do so. Smaller authorities are required by the Accounts and Audit Regulations 2015 and the Transparency Code for Smaller Authorities to publish certain documents on a public website/webpage.

Please note that the authority cannot complete this Form 1 Declaration of No Accounts and Certificate of Exemption if the authority:

- either received income or incurred expenditure in the year ending 31 March 2026; or
- was issued with a public interest report or received a statutory recommendation in relation to the year ending 31 March 2025; or
- was not in existence before 1 April 2022

In those circumstances, the authority **must** complete an Annual Governance and Accountability Return Form 2 or Form 3 as appropriate.

If the authority is a Parish Meeting it must complete an Annual Governance and Accountability Return Form 1PM, Form 2PM or Form 3PM as appropriate.

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

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

Declaration of No Accounts and Certificate of Exemption – AGAR Form 1

To be completed by all smaller authorities other than Parish Meetings that are able to declare that they had **no financial transactions** in the year of account 2025/26 and can certify themselves exempt from a limited assurance review.

ENTER NAME OF AUTHORITY

ENTER WEBSITE/WEBPAGE ADDRESS

1. I confirm that the above named smaller authority neither received any income nor incurred any expenditure* and had no financial transactions to record in the books of account in the year ended 31 March 2026.

   Yes ☐ No ☐

   Note – if you answer NO you **must** complete an Annual Governance and Accountability Return 2025/26, either Form 2 or Form 3, and not this certificate.

2. Total annual gross income for the authority 2025/26 (if NIL enter 0) — ENTER AMOUNT £00.00
3. Total annual gross expenditure for the authority 2025/26 (if NIL enter 0) — ENTER AMOUNT £00.00
4. I confirm that the balance held as at 31 March 2026 is (Insert total from all bank statement(s) + petty cash) (if NIL enter 0) — ENTER AMOUNT £00.00
5. I note that it is a **statutory requirement** that Parish Councils and other smaller authorities must publish **before 1 July 2026** on a public website/webpage a copy of this Certificate to inform local electors that there were no financial transactions during the year ending 31 March 2026.

By signing this **Declaration of No Accounts and Certificate of Exemption** I also confirm that:

- The authority was in existence on 1st April 2022
- In relation to the preceding financial year (2024/25), 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.

Signed by the Chair or Responsible Financial Officer (RFO) of the Authority	I confirm that this Certificate of Exemption was approved by this authority on this date:
SIGNATURE REQUIRED	DD/MM/YYYY
Date: DD/MM/YYYY	as recorded in minute reference: MINUTE REFERENCE

Name and address of Chair or RFO of the Authority

ENTER NAME AND ADDRESS OF CHAIR OR RFO OF THE AUTHORITY

Telephone number	Email of Authority
TELEPHONE NUMBER	ENTER AUTHORITY OWNED GENERIC EMAIL ADDRESS

ONLY a copy of this Certificate of Exemption should be returned EITHER by email OR post (not both) as soon as possible after completion, but no later than 30 June 2026 to your external auditor:

PKF Littlejohn LLP (Ref: SBA Team),
30 Churchill Place,
Canary Wharf, London E14 5RE **sba@pkf-l.com**

* Income or expenditure includes any items of £1 or more.

Annual Governance and Accountability Return 2025/26 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 2025/26

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 2026** 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 2026**

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 2025/26**, page 4
- **Section 1 – Annual Governance Statement 2025/26**, page 5
- **Section 2 – Accounting Statements 2025/26**, 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.

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 2025/26 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) 2025/26, 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 2026. 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 2026** 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 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.
- 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 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 for a single period of 30 working days for inspection (this excludes weekends and public Holidays) 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 2026**

6
ANNUAL GOVERNANCE STATEMENT

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

Matlock Town Council

https://matlock.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)	Yes	No	Not applicable
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: 10/06/2026

Name of person who carried out the internal audit: Emma Smith

Signature of person who carried out the internal audit: Emma Smith

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).

Section 1 – Annual Governance Statement 2025/26

We acknowledge as the members of:

ENTER NAME OF AUTHORITY

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	No*		'Yes' means that this authority:
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:

DD/MM/YYYY

and recorded as minute reference:

MINUTE REFERENCE

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

Chair SIGNATURE REQUIRED

Clerk SIGNATURE REQUIRED

ENTER PUBLICLY AVAILABLE WEBSITE/WEBPAGE ADDRESS

7
ACCOUNTING STATEMENTS

Section 2 – Accounting Statements 2025/26 for

Matlock Town Council

	Year ending		Notes and guidance
	31 March 2025 £	31 March 2026 £	*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.*
1. Balances brought forward	88,916	128,897	*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	366,716	377,681	*Total amount of precept (or for IDBs rates and levies) received or receivable in the year. Exclude any grants received.*
3. (+) Total other receipts	92,536	73,979	*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	273,887	269,241	*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	145,384	154,956	*Total expenditure or payments as recorded in the cash-book less staff costs (line 4) and loan interest/capital repayments (line 5).*
7. (=) Balances carried forward	128,897	156,361	*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	109,513	147,828	*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	1,283,555	1,514,741	*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.

Date 07/04/2026

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

DD/MM/YYYY

as recorded in minute reference:

MINUTE REFERENCE

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

SIGNATURE REQUIRED

8
ELECTORS' RIGHTS

MATLOCK TOWN COUNCIL

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

ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2026

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

NOTICE	NOTES
1. Date of announcement **30.06.2026** (a)	(a) Insert date of placing of the notice which must be not less than 1 day before the date in (c) below
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. **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 2026, these documents will be available on reasonable notice by application to:** (b) Simon Hosmer, Town Clerk Imperial Rooms, Matlock, DE4 3NL townclerk@matlock.gov.uk 01629583042	(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
commencing on (c) **Wednesday 1 July 2026**	(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
and ending on (d) **Tuesday 11 August 2026**	(d) The inspection period between (c) and (d) must be 30 working days inclusive and must include the first 10 working days of July.
3. Local government electors and their representatives also have: • 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. The appointed auditor can be contacted at the address in paragraph 4 below for this purpose between the above dates only.	
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: **PKF Littlejohn LLP (Ref: SBA Team)** **30 Churchill Place** **London E14 5RE** (sba@pkf-l.com)	
5. This announcement is made by (e) **India Hosmer**	(e) Insert name and position of person placing the notice – this person must be the responsible financial officer for the smaller authority

LOCAL AUTHORITY ACCOUNTS: A SUMMARY OF YOUR RIGHTS

Please note that this summary applies to all relevant smaller authorities, including local councils, internal drainage boards and 'other' smaller authorities.

The basic position

The Local Audit and Accountability Act 2014 (the Act) governs the work of auditors appointed to smaller authorities. This summary explains the provisions contained in Sections 26 and 27 of the Act. The Act and the Accounts and Audit Regulations 2015 also cover the duties, responsibilities and rights of smaller authorities, other organisations and the public concerning the accounts being audited.

As a local elector, or an interested person, you have certain legal rights in respect of the accounting records of smaller authorities. As an interested person you can inspect accounting records and related documents. If you are a local government elector for the area to which the accounts relate you can also ask questions about the accounts and object to them. You do not have to pay directly for exercising your rights. However, any resulting costs incurred by the smaller authority form part of its running costs. Therefore, indirectly, local residents pay for the cost of you exercising your rights through their council tax.

The right to inspect the accounting records

Any interested person can inspect the accounting records, which includes but is not limited to local electors. You can inspect 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. You can copy all, or part, of these records or documents. Your inspection must be about the accounts, or relate to an item in the accounts. You cannot, for example, inspect or copy documents unrelated to the accounts, or that include personal information (Section 26 (6) – (10) of the Act explains what is meant by personal information). You cannot inspect information which is protected by commercial confidentiality. This is information which would prejudice commercial confidentiality if it was released to the public and there is not, set against this, a very strong reason in the public interest why it should nevertheless be disclosed.

When smaller authorities have finished preparing accounts for the financial year and approved them, they must publish them (including on a website). There must be a 30 working day period, called the 'period for the exercise of public rights', during which you can exercise your statutory right to inspect the accounting records. Smaller authorities must tell the public, including advertising this on their website, that the accounting records and related documents are available to inspect. By arrangement you will then have 30 working days to inspect and make copies of the accounting records. You may have to pay a copying charge. The 30 working day period must include a common period of inspection during which all smaller authorities' accounting records are available to inspect. This will be 1-14 July 2026 for 2025/26 accounts. The advertisement must set out the dates of the period for the exercise of public rights, how you can communicate to the smaller authority that you wish to inspect the accounting records and related documents, the name and address of the auditor, and the relevant legislation that governs the inspection of accounts and objections.

The right to ask the auditor questions about the accounting records

You should first ask your smaller authority about the accounting records, since they hold all the details. If you are a local elector, your right to ask questions of the external auditor is enshrined in law. However, while the auditor will answer your questions where possible, they are not always obliged to do so. For example, the question might be better answered by another organisation, require investigation beyond the auditor's remit, or involve disproportionate cost (which is borne by the local taxpayer). Give your smaller authority the opportunity first to explain anything in the accounting records that you are unsure about. If you are not satisfied with their explanation, you can question the external auditor about the accounting records.

The law limits the time available for you formally to ask questions. This must be done in the period for the exercise of public rights, so let the external auditor know your concern as soon as possible. The advertisement or notice that tells you the accounting records are available to inspect will also give the period for the exercise of public rights during which you may ask the auditor questions, which here means formally asking questions under the Act. You can ask someone to represent you when asking the external auditor questions.

Before you ask the external auditor any questions, inspect the accounting records fully, so you know what they contain. Please remember that you cannot formally ask questions, under the Act, after the end of the period for the exercise of public rights. You may ask your smaller authority other questions about their accounts for any year, at any time. But these are not questions under the Act.

You can ask the external auditor questions about an item in the accounting records for the financial year being audited. However, your right to ask the external auditor questions is limited. The external auditor can only answer 'what' questions, not 'why' questions. The external auditor cannot answer questions about policies, finances, procedures or anything else unless it is directly relevant to an item in the accounting records. Remember that your questions must always be about facts, not opinions. To avoid misunderstanding, we recommend that you always put your questions in writing.

The right to make objections at audit

You have inspected the accounting records and asked your questions of the smaller authority. Now you may wish to object to the accounts on the basis that an item in them is in your view unlawful or there are matters of wider concern arising from the smaller authority's finances. A local government elector can ask the external auditor to apply to the High Court for a declaration that an item of account is unlawful, or to issue a report on matters which are in the public interest. You must tell the external auditor which specific item in the accounts you object to and why you think the item is unlawful, or why you think that a public interest report should be made about it. You must provide the external auditor with the evidence you have to support your objection. Disagreeing with income or spending does not make it unlawful. To object to the accounts you must write to the external auditor stating you want to make an objection, including the information and evidence below and you must send a copy to the smaller authority. The notice must include:

- confirmation that you are an elector in the smaller authority's area;
- why you are objecting to the accounts and the facts on which you rely;
- details of any item in the accounts that you think is unlawful; and
- details of any matter about which you think the external auditor should make a public interest report.

Other than it must be in writing, there is no set format for objecting. You can only ask the external auditor to act within the powers available under the Local Audit and Accountability Act 2014.

A final word

You may not use this 'right to object' to make a personal complaint or claim against your smaller authority. You should take such complaints to your local Citizens' Advice Bureau, local Law Centre or to your solicitor. Smaller authorities, and so local taxpayers, meet the costs of dealing with questions and objections. In deciding whether to take your objection forward, one of a series of factors the auditor must take into account is the cost that will be involved, they will only continue with the objection if it is in the public interest to do so. They may also decide not to consider an objection if they think that it is frivolous or vexatious, or if it repeats an objection already considered. If you appeal to the courts against an auditor's decision not to apply to the courts for a declaration that an item of account is unlawful, you will have to pay for the action yourself.

For more detailed guidance on public rights and the special powers of auditors, copies of the publication Local authority accounts: A guide to your rights are available from the NAO website.	If you wish to contact your authority's appointed external auditor please write to the address in paragraph 4 of the *Notice of Public Rights and Publication of Unaudited Annual Governance & Accountability Return*.