External Audit, September 2026 – Clerks actions

Except for matters

- **The AGAR was not accurately completed before submission for review. The smaller authority has confirmed that the response to Section 2, Box 11 is incorrect and should be 'yes'.**

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.*

A change in wording of this question meant that previous response of n/a was recorded as a No on the AGAR and should have been a yes. PKF Littlejohn accepted that a Yes should have been marked.

Extract from SLCC forum: Because ticking "Yes" to state you are not something feels counterintuitive, a massive number of clerks left Box 11 completely blank or recorded a No.

ACTION: Wording is set to change again for 2026/27 – ensure guidelines are double checked!

- **Section 1, Assertion 1 has been incorrectly completed, information has come to our attention from the internal auditor that the budget was not approved by the smaller authority before setting the precept.**

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.*

Extract from internal auditors report:

D. The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.	We have checked that the Council has considered its income and expenditure requirements to formally adopt an appropriate budget. That the Council has reviewed performance against the budget throughout the year, has established Earmarked Reserves which are reviewed annually during the budgetary process. That the precept request is submitted to the relevant authority on time and matches the receipt in the accounts.	The Council has a budget for 25/26. This was drafted by the Finance and Good Governance Committee and agreed that it would be recommended to full council for adoption. Whilst Full Council discussed the budget to form the Precept request, it did not formally approve the budget, only the Precept. Ensure that going forward both the Precept setting and budget are approved by full council and that the minute shows this clearly.	None **Council response:**

ACTION: Note has been made to ensure that the budget and precept are considered and approved under separate agenda items. Likely to be highlighted again on 26/27 audit – a note will be added to the AGAR 26/27 if appropriate.

Extract from Jan 26 Minutes:

b) To consider setting the precept for the financial year 2026/27 at £367,776 (2025/26 £350,217) as recommended by the Finance & Good Governance Committee (FG039/2526b).
It was RESOLVED to approve the precept for financial year 2026/27 *based on the approved budget as discussed* recommended by Finance & Good Governance Committee with an increase of 5.01% to £367,776 (estimated monthly increase of £0.50 per month per band D household, approx. 3.2% increase on previous year).
Proposed by Cllr Cowley, seconded by Cllr Kilmurray. All in favour.
It is noted that going forward explicit approval of the budget AND the precept will be on the agenda and minuted separately – as the precept setting decision is based on approval of the budget this has previously been a combined item.