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**

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 2026** 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? *(Local Councils only)*		✔

***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 2025/26 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 2026 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 2026 and a completed Certificate of Exemption is submitted no later than **30 June 2026** notifying the external auditor.

Lower Penn Parish Council

certifies that during the financial year 2025/26, 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 2025/26:	£18,436
Total annual gross expenditure for the authority 2025/26:	£22,491

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 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.

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 2026.
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:	
J.S. Cree	7/5/26		7/5/26
Signed by Chair	Date	as recorded in minute reference:	
	7/5/26	63/26	

Generic email address of Authority

clerk@lowerpenn-pc.gov.uk

Telephone number

0985219771

*Published web address

www.lowerpenn-pc.gov.uk

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 2026 Reminder letters for late submission will incur a charge of £40 + VAT.

Annual Internal Audit Report 2025/26

Lower Penn Parish Council

www.lowerpenn-pc.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.	✓		
	Yes	**No**	**Not applicable**
P. **(For local councils only)** Trust funds (including charitable) – The council met its responsibilities as a trustee.			✓

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

Date(s) internal audit undertaken

Name of person who carried out the internal audit: Ruta Pullor

Signature of person who carried out the internal audit: Pullor

Date: 21 04 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:

Lower Penn Parish Council

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

	Agreed Yes	Agreed 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.

*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:

7/5/26

and recorded as minute reference:

63/26

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

Chair: [signature]

Clerk: J.S. Cree

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

	Yes	No
The authority website is up to date and the information required by the Transparency Code has been published.		

www.lowerpenn-pc.gov.uk

Section 2 – Accounting Statements 2025/26 for

Lower Penn Parish Council

	Year ending 31 March 2025 £	Year ending 31 March 2026 £	Notes and guidance: 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	38,300	38,317	*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	17,260	17,260	*Total amount of precept (or for IDBs rates and levies) received or receivable in the year. Exclude any grants received.*
3. (+) Total other receipts	2,980	1,176	*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	6,708	8,753	*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	13,515	13,738	*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	38,317	34,262	*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	38,317	34,242	*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	31,468	31,468	*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.

J.S. Cree

Date 7/5/26

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

7/5/26

as recorded in minute reference:

63/26

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

Notice of appointment of date for the exercise of public rights

Accounts for the year ended 31st March 2026

The Local Audit and Accountability Act 2014, and

The Accounts and Audit (England) Regulations 2015 (SI 234)

<table>
<tr>
<td>
1. Date of announcement: __1st June 2026___ (a)

2. Any person interested has the right to inspect and make copies of the accounts to be audited and all books, deeds, contracts, bills, vouchers and receipts relating to them. For the year ended 31 March 2026 these documents will be available on reasonable notice on application to:

(b) __Jennifer Cree – Clerk / RFO___________________
____
____

commencing on (c) 02/06/2026

and ending on (d) 14/07/2026

3. Local Government Electors and their representatives also have:
• the opportunity to question the auditor about the accounts; and
• the right to make objections to the accounts or any item in them. Written notice of an objection must first be given to the auditor and a copy sent to the Authority (f).

The auditor can be contacted at the address in paragraph 4 below for this purpose during the inspection period at 2 above.

4. The auditor's limited assurance review is being conducted under the provisions of the Local Audit and Accountability Act 2014, the Accounts and Audit (England) Regulations 2015 and the National Audit Office' Code of Audit Practice. Your review is being carried out by:

Forvis Mazars LLP, The Corner, Bank Chambers, 26 Mosley Street, Newcastle upon Tyne, NE1 1DF
Email: local.councils@mazars.co.uk

5. This announcement is made by (e))___Jennifer Cree – Clerk / RFO_
</td>
<td>
(a) Insert date of placing of this notice on your website.

(b) Insert name, position and contact details of the Clerk or other person to whom any person may apply to inspect the accounts.

.

(c)And
(d)The inspection period must be 30 working days in total and commence no later than 1 July 2026.

(e) Insert name and position of person placing the notice
</td>
</tr>
</table>

BALANCE SHEET FOR 31st March 2026

OPENING BALANCES 1/4/25

BUSINESS PREMIUN ACCOUNT 20560022		£2,031.18	
BUSINESS ACCOUNT 10106240		£18,895.73	
CURRENT ACCOUNT		£17,525.30	
Upresented chqS		-£135.00	
BALANCES AT 31/03/2025		**£38,317.21**	
RECEIPTS	£18,435.64		
PAYMENTS	£22,490.71		
		£34,262.14	
BUSINESS PREMIUN ACCOUNT 20560022		£2,055.85	
BUSINESS ACCOUNT 10106240		£19,125.22	
CURRENT ACCOUNT		£13,081.07	
BALANCES AT 31/03/2026		**£34,262.14**	£0.00
Petty Cash		0	

Today: 26 Mar 2026

BARCLAYS

LOWER PENN PARISH COUNCIL

Transactions

COMMUNITY	**20-97-78 90559938**
Available balance	**£13,081.07**
Last night's balance	£13,081.07
Overdraft limit	**£0.00**

Showing **5** transactions between **25/02/2026** and **20/03/2026** from 24/02/2026 to 26/03/2026

Date	Description	Money in	Money out	Balance
20/03/2026	Cheque 200960 200960		-£966.49	£13,081.07
16/03/2026	Cheque 200961 200961		-£315.95	£14,047.56
09/03/2026	Cheque 200962 200962		-£449.01	£14,363.51
06/03/2026	Cheque 200959 200959		-£939.95	£14,812.52
25/02/2026	Cheque 200957 200957		-£381.80	£15,752.47

Need to view older transactions?

If you have registered for online statements, then follow the link to view them
If you don't have online statements, then statements may still be visible in Barclays Cloud It
If you can't find the relevant statement/transactions online, you can order a copy statement

Today: 31 Mar 2026

BARCLAYS

LOWER PENN PARISH COUNCIL

Transactions

Business Premium ME **20-97-78 20560022**

Available balance	**£2,055.85**
Last night's balance	£2,055.85
Overdraft limit	n/a

Showing **1** transaction between **02/03/2026** and **02/03/2026** from 01/03/2026 to 31/03/2026

Date	Description	Money in	Money out	Balance
02/03/2026	Credit Payment INTEREST PAID GROSS FOR PERIOD 8DEC/ 1MAR	£5.19		£2,055.85

Need to view older transactions?

If you have registered for online statements, then follow the link to view them
If you don't have online statements, then statements may still be visible in Barclays Cloud It
If you can't find the relevant statement/transactions online, you can order a copy statement

Today: 31 Mar 2026

BARCLAYS

LOWER PENN PARISH COUNCIL

Transactions

Business Premium ME	**20-97-78 10106240**
Available balance	**£19,125.22**
Last night's balance	£19,125.22
Overdraft limit	**n/a**

Showing **1** transaction between **02/03/2026** and **02/03/2026** from 01/03/2026 to 31/03/2026

Date	Description	Money in	Money out	Balance
02/03/2026	Credit Payment INTEREST PAID GROSS FOR PERIOD 8DEC/ 1MAR	£48.29		£19,125.22

Need to view older transactions?

If you have registered for online statements, then follow the link to view them
If you don't have online statements, then statements may still be visible in Barclays Cloud It
If you can't find the relevant statement/transactions online, you can order a copy statement

Today: 31 Mar 2026

BARCLAYS

LOWER PENN PARISH COUNCIL

Transactions

COMMUNITY

20-97-78 90559938

Available balance	**£13,081.07**
Last night's balance	£13,081.07
Overdraft limit	**£0.00**

Showing **4** transactions between **06/03/2026** and **20/03/2026** from 01/03/2026 to 31/03/2026

Date	Description	Money in	Money out	Balance
20/03/2026	Cheque 200960 200960		-£966.49	£13,081.07
16/03/2026	Cheque 200961 200961		-£315.95	£14,047.56
09/03/2026	Cheque 200962 200962		-£449.01	£14,363.51
06/03/2026	Cheque 200959 200959		-£939.95	£14,812.52

Need to view older transactions?

If you have registered for online statements, then follow the link to view them
If you don't have online statements, then statements may still be visible in Barclays Cloud It
If you can't find the relevant statement/transactions online, you can order a copy statement

Today: 31 Mar 2026

BARCLAYS

LOWER PENN PARISH COUNCIL

Transactions

Business Premium ME

20-97-78 90564052

Available balance	£0.00
Last night's balance	£0.00
Overdraft limit	n/a

Showing **No** transactions between and from 01/03/2026 to 31/03/2026

Date	Description	Money in	Money out	Balance
No Transaction Found				

Need to view older transactions?

If you have registered for online statements, then follow the link to view them
If you don't have online statements, then statements may still be visible in Barclays Cloud It
If you can't find the relevant statement/transactions online, you can order a copy statement

SUMMARY OF ASSETS HELD
AS AT 31 MARCH 2026

Two timber bus shelters	£2,467.00
Chairman's Chain of office/ribbon	£767.00
Laptop	£500.00
Printer/scanner	£100.00
Parish Council notice boards (5)	£4,127.00
Village Signpost	£4,386.00
Bench for village green	£382.00
Fencing for Castlecroft Playing Field	£5,486.00
Community Speedwatch Radar Gun	£1,050.00
Community Speedwatch Radar Gun	£254.00
Projector, carry case & wireless laser pointer	£527.00
4 Road signs and posts	£8,421.00
BT Red Telephone Kiosk	£1.00
Victory Hall Car Park	£0.00
New benches and Planters	£3,000.00
	£31,468.00