



Summary of the Process

The Accountability and Governance Annual Return is the foundation of Parish and Town Council governance processes. In brief, the process to this point has been:

1. I have completed the financial year-end and produced a series of reports; three of these are provided with Council papers (all are available as required).
2. I collated a set of information for an Internal Auditor, Paul Russell who is an experienced auditor, and is secretary of the Somerset Branch of the Society of Local Council Clerks.
3. He undertook the internal audit on 12th May, using the documents I provided, the financial reports, the publicly available information on our website, and a meeting and email exchanges with me. The **Internal Auditor's Report** is provided (13.2); Council is asked **to receive the report** and (at 13.2.1) **to approve the proposed actions to address the recommendations in the report**.
As part of the process, he completes the AGAR Form 3, Page 2.
4. At 13.3, I have provided my statement regarding my personal Conflicts of Interest, asserting that there are none. **Council to approve** and Chair to sign.
5. At 13.4, Council is asked **to approve the Annual Governance and Accountability Statement**. I have provided the document based on the recommendations from the Internal Auditor, but **the assertions in the document are for Councillors to determine**. See below, comments on the new Assertion, 10, regarding digital and data compliance.
6. At 13.5, Council is asked **to approve the Accounting Statements**, which the Internal Auditor reviewed.
7. At 13.6, Council is asked **to approve the Explanation of Variances** which will remain confidential to conform with GDPR regulations regarding personal data (salary information). A redacted version will be published. Both versions will be submitted to auditors.
8. At 13.8, To note that the 30-day period for the public to inspect documents (the "Exercise of Public Rights") will be announced the day after the meeting and will commence on Friday 12th June and end on Thursday 23rd July 2026.
9. Following the meeting, the full set of documents is submitted to the nominated External Auditors – BDO LLP – for their review and approval. This process normally takes about two months. Assuming they are satisfied the process is complete towards the end of the summer.

More detail on documents provided follows

13.2.1 Internal Auditor's Report Recommendations

The Internal Auditor made the following recommendations, which I have reviewed and propose the following responses:

1. The Clerk has been appointed as Responsible Finance Officer (LGA1972 s151). Recommend this be added to the website: <https://www.batheaston-pc.gov.uk/staff>.
 - Done
2. The Council requires an investment strategy as it has balances of over £100,000. Recommend that an investment policy be adopted as soon as possible to meet requirements.

- To be presented for approval at next Finance Committee meeting
3. It is recommended that a formal Risk Register be adopted.
- To be presented for approval at next Finance Committee meeting
4. The Council has set up Earmarked Reserves, but they are not recorded in the accounts. It is recommended that formal Earmarked Reserves be developed as the General Reserve is reaching its limit (normally 3-6 months of expenditure with a maximum no greater than the precept).
- I propose that £75,000 be transferred to the Sports Foundation ear-marked reserve, reducing the General Reserve to £110,00 now (noting that this will be reduced over the next four months, before the second instalment of the Precept is paid)
 - To review in more detail at the next Finance Committee and progress as agreed.
5. Location of public land and building assets: recommend that the asset register element relating to public land and building assets be published.
- To be presented for approval at next Finance Committee meeting
6. The Council has an Accessibility Statement published on its website. (<https://www.batheaston-pc.gov.uk/accessibility-statement>). Recommend this is updated to include reference to WCAG2.2AA.
- Done
7. The Parish Council website does not comply with WCAG 2.2 AA; it achieves 88%: Scan Results (CompliaScan), and 9.8 out of 10 (WAVE).
- Clerk to address non-compliance and report to the Community and Communications Working Group.
8. A Freedom of Information Policy is currently being updated. Recommend that this be uploaded onto the website.
- For approval at this meeting.

13.4 Annual Governance and Accountability Statement: "Assertion 10" Data and Digital Compliance

As noted above, we are not fully compliant, but External Auditors have indicated that they are treating this as a transitional year, with 100% compliance not expected, which they will not test.

In that context, the Internal Auditor has judged that we meet this objective adequately and is recommending that you can assert likewise.

13.6 Explanation of Significant Variances

We are required to explain changes in the summary figures of more than 15%. This applies to the following, and I reproduce here the recommended responses:

- Regarding the reduction in "Total other receipts" (all income other than the Precept), from £22,094 to £14,302 (-35%), the explanations are the decreases in
 - CIL income (milestone payments for significant developments in the Parish), from £4,727 to £2,498

- VAT reclaim, from £9,418 to £3,704, reflecting the higher than usual figure in 2023/24 as a consequence of the Playground Upgrade (a payment of £36,000, for which £6,000 VAT was reclaimed in 2024/25)
- Regarding the increase in “Staff Costs” from £34,283 to £48,576 (42%), the reason is:
 - “Salary changes following reconfiguration of roles: regrading of Clerk and RFO role and deletion of bookings clerk role, creation of Financial Administrator role, with additional hours in both cases.” This is as approved by Council at its meeting in March 2025, see 2025-03-18 7.1 Reconfiguration of staff resources - implementation.pdf.
 - Note that the published paper obscures the individual line items for reasons of data protection.
- Regarding the increase in Reserves, “Balances carried forward” (Box 7) from £116,295 to £157,818,
 - “The Parish Council has plans to undertake significant improvement to its sports and recreation facilities. It has established a charity – the Batheaston Sports Foundation (charity number: 1212534) – with the intention of transferring funds to this charity to undertake the development”.

Richard Maccabee

Parish Clerk and Responsible Finance Officer

8th June 2026