

Section 1 – Annual Governance Statement 2025/26

We acknowledge as the members of:

ENTEWem Town Council RITY

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*	
1. We have put in place arrangements for effective financial management during the year, and for the preparation of the accounting statements.	✓		<i>prepared its accounting statements in accordance with the Accounts and Audit Regulations.</i>
2. We maintained an adequate system of internal control including measures designed to prevent and detect fraud and corruption and reviewed its effectiveness.	✓		<i>made proper arrangements and accepted responsibility for safeguarding the public money and resources in its charge.</i>
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.	✓		<i>has only done what it has the legal power to do and has complied with Proper Practices in doing so.</i>
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.	✓		<i>during the year gave all persons interested the opportunity to inspect and ask questions about this authority's accounts.</i>
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.	✓		<i>considered and documented the financial and other risks it faces and dealt with them properly.</i>
6. We maintained throughout the year an adequate and effective system of internal audit of the accounting records and control systems.	✓		<i>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.</i>
7. We took appropriate action on all matters raised in reports from internal and external audit.	✓		<i>responded to matters brought to its attention by internal and external audit.</i>
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.	✓		<i>disclosed everything it should have about its business activity during the year including events taking place after the year end if relevant.</i>
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
			✓
10. We have put in place arrangements for the effective IT and data management in accordance with proper practices during the year under review.	✓		<i>has made suitable arrangements for its IT and data management and has complied with proper practices in doing so.</i>

***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:

28/05/2026

and recorded as minute reference:

24/25-29a REFERENCE

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

Chair

SIGNATURE REQUIRED
Rob Barber

Clerk

SIGNATURE REQUIRED
P. O'Leary

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Section 2 – Accounting Statements 2025/26 for

ENTEWem Town Council RITY

	Year ending		Notes and guidance
	31 March 2025 £	31 March 2026 £	
1. Balances brought forward	432,167	434,490	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	400,000	423,915	Total amount of precept (or for IDBs rates and levies) received or receivable in the year. Exclude any grants received.
3. (+) Total other receipts	159,541	55,295	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	141,052	152,117	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	3,616	3,471	Total expenditure or payments of capital and interest made during the year on the authority's borrowings (if any).
6. (-) All other payments	412,550	269,779	Total expenditure or payments as recorded in the cashbook less staff costs (line 4) and loan interest/capital repayments (line 5).
7. (=) Balances carried forward	434,490	488,333	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	452,030	487,914	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	1,736,645	1,758,332	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	10,500	7,500	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?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	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.

SIGNATURE REQUIRED

Date

28/05/2026

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

28/05/2026

as recorded in minute reference:

241/25 MINUTE REFERENCE 295

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

SIGNATURE REQUIRED

Annual Internal Audit Report 2025/26

WEM TOWN COUNCIL

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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.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
B. This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
C. This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
D. The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
E. Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
F. Cash payments were properly supported by receipts, all cash expenditure was approved and VAT appropriately accounted for.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
H. Asset and investments registers were complete and accurate and properly maintained.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
I. Periodic bank account reconciliations were properly carried out during the year.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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. <i>(If the authority had a limited assurance review of its 2024/25 AGAR tick "not covered")</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
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.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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 <i>(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)</i> .	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
N. The authority has complied with the publication requirements for 2024/25 AGAR <i>(see AGAR Page 1 Guidance Notes)</i> .	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
O. The authority has complied with laws, regulations & proper practices relating to digital and data compliance.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	*See 1 below
P. (For local councils only) Trust funds (including charitable) – The council met its responsibilities as a trustee.	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

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

26/02/2026

DD/MM/YYYY 18/05/2026

JDH BUSINESS SERVICES LTD

Signature of person who carried out the internal audit

JDH Business Services Ltd

Date

18/05/2026

*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).

Wem Town Council Current Year

Bank - Cash and Investment Reconciliation as at 31 March 2026

Confirmed Bank & Investment Balances

Bank Statement Balances

31/03/2026	Petty Cash	23.03
31/03/2026	Unity Bank	38,832.08
31/03/2026	CCLA	330,739.00
31/03/2026	Nationwide Business Saving	118,271.89
31/03/2026	Unity Corporate Card	0.00

487,866.00

Receipts not on Bank Statement

47.50

Closing Balance

487,913.50

All Cash & Bank Accounts

4	Petty Cash	23.03
8	Unity Bank	38,879.58
9	CCLA	330,739.00
10	Nationwide Business Saving	118,271.89
11	Unity Corporate Card	0.00
	Other Cash & Bank Balances	0.00
	Total Cash & Bank Balances	487,913.50

Explanation of variances – pro forma

Name of smaller authority: [REDACTED]
 County area (local councils and parish meetings only): [REDACTED]

Insert figures from Section 2 of the AGAR in all Blue highlighted boxes

Next, please provide full explanations, including numerical values, for the following that will be flagged in the green boxes where relevant:

- variances of more than 15% between totals for individual boxes (except variances of less than £200);
- variances of £100,000 or more require explanation regardless of the % variation year on year;
- **New from 2025/26 onwards:** variances of £500,000 or more in Box 3 require explanation regardless of the % variation year on year for smaller authorities with income and/or expenditure exceeding £6,500,000

	2024/25 £	2025/26 £	Variance £	Variance %	Explanation Required?	Automatic responses trigger below based on figures input, DO NOT OVERWRITE THESE BOXES	Explanation from smaller authority (must include narrative and supporting figures)
1 Balances Brought Forward	432,167	434,490				Explanation of % variance from PY opening balance not required - Balance brought forward agrees	
2 Precept or Rates and Levies	400,000	423,915	23,915	5.98%	NO		
3 Total Other Receipts	159,541	55,295	-104,246	65.34%	YES		In 2026-27 Christmas Festival income increased by £1047 Neighbourhood fund income reduced by £1006 Bank Interest reduced by £5540 Toilet income reduced by £136 Stock in come increased by £120 Cemetery Income increased by £2795 Misc income increased by £453 Insurance claims reduced by £551 Allotment income increased by £442 Markets income increased by £1016 Grants income reduced by £102,859 (one off grant for £103K for solar project received in previous year) Training income reduced by £27
4 Staff Costs	141,052	152,117	11,065	7.84%	NO		
5 Loan Interest/Capital Repayment	3,616	3,471	-145	4.01%	NO		
6 All Other Payments	412,550	269,779	-142,771	34.61%	YES		Compared to 2024-25: Staff non-salary costs reduced by £308 Councillor expenses increased by £326 Administration costs increased by £13,342 (Main changes = £6.4 k for new IT equipment and support, £3.38k on HR and H&S support and £3.68k for elections, other cost changes were insignificant) Grants and events costs reduced by £13,462 (£11.8k heads up grant no longer given out, spending on event infrastructure reduced) Recreation costs reduced by £12,162 (£22k spent on play equipment in 24-25, only £12k in 25-26. No spending on recreation ground toilets, or lamp column painting in 25-26) Swimming Pool costs reduced by £106,870 (in 24-25 solar panels were installed at a cost of £103441. Repair costs in 25-26 were down by £1.8k) Toilet costs reduced by £3831 due to reprocurment of the cleaning contract. Street lighting costs reduced by £21,822 because the column replacement programme was completed but electrical connections have not been completed or invoiced) Cemetery Costs increased by £367 due to increases in gravedigging costs, business rates and repairs) Allotment costs reduced by £208 due to reduced maintenance required Market Costs increased by £1922 due to investment in new infrastructure Miscellaneous costs reduced by £64
7 Balances Carried Forward	434,490	488,333				VARIANCE EXPLANATION NOT REQUIRED	
8 Total Cash and Short Term Investments	452,030	487,914				VARIANCE EXPLANATION NOT REQUIRED	
9 Total Fixed Assets plus Other Long Term Investments and	1,736,645	1,758,332	21,687	1.25%	NO		
10 Total Borrowings	10,500	7,500	-3,000	28.57%	YES		Balance has reduced because £3000 was repaid in 25-26

Rounding errors of up to £2 are tolerable

Variances of £200 or less are tolerable

Wem Town Council Current Year

Supporting Reserves Reconciliation for ANNUAL RETURN 31 March 2026

Explains the difference between boxes 7 & 8 on the Annual Return

<u>Code</u>	<u>Description</u>	<u>Last Year £</u>	<u>This Year £</u>
	Total Reserves	434,490.24	488,332.82
100	Debtors	4,101.07	600.00
105	VAT Control A/c	11,543.08	6,638.97
110	Prepayments	0.00	39.00
120	Stock	1,680.00	1,590.00
	Less Total Debtors	17,324.15	8,867.97
501	YE Credit Card	156.10	0.00
510	Accruals	31,847.02	8,448.65
520	Wages control account	2,861.15	0.00
	Plus Total Creditors	34,864.27	8,448.65
	Equals Total Cash and Bank Accounts	452,030.36	487,913.50
230	Unity Bank	44,355.95	38,879.58
235	CCLA	330,739.00	330,739.00
240	Nationwide Business Saving	76,879.71	118,271.89
250	Petty Cash	55.70	23.03
	Total Cash and Bank Accounts	452,030.36	487,913.50

Contact details

Name of smaller authority: **Wem Town Council**

County Area (local councils and parish meetings only): **Shropshire**

Please complete this form and send it back to us with the AGAR or exemption certificate

	Clerk/RFO (Main contact)	Chair
Name	Amanda Roberts (RFO)	Bob Barker
Address	Wem Town Council Wem Library High Street Wem SY4 5AA	Revelstoke Soulton Road Wem SY4 5HR
Daytime telephone number	01939 232733	
Mobile telephone number		
Email address	accounts@wem.gov.uk	Bob.barker@wem.gov.uk

INTERNAL AUDIT REPORT – YEAR-END WEM TOWN COUNCIL 2025/2026

The internal audit of Wem Town Council is carried out by undertaking the following tests as specified on the AGAR Annual Return for Local Councils in England:

- Checking that books of account have been properly kept throughout the year
- Checking a sample of payments to ensure that the Council's financial regulations have been met, payments are supported by invoices, expenditure is approved, and VAT is correctly accounted for
- Reviewing the Council's risk assessment and ensuring that adequate arrangements are in place to manage all identified risks
- Verifying that the annual precept request is the result of a proper budgetary process; that budget progress has been regularly monitored and that the council's reserves are appropriate
- Checking income records to ensure that the correct price has been charged, income has been received, recorded and promptly banked and VAT is correctly accounted for
- Reviewing petty cash records to ensure payments are supported by receipts, expenditure is approved and VAT is correctly accounted for
- Checking that salaries to employees have been paid in accordance with Council approvals and that PAYE and NI requirements have been properly applied
- Checking the accuracy of the asset and investments registers
- Testing the accuracy and timeliness of periodic and year-end bank account reconciliation(s)
- Year end testing on the accuracy and completeness of the financial statements

The interim internal audit provides evidence to support the annual internal audit conclusion on the Annual Return for local councils.

Conclusion

On the basis of internal audit work carried out, which was limited to the tests above, in our view the council's system of internal controls is in place, adequate for the purpose intended and effective, subject to the recommendations reported in the action plan. As part of the internal audit work for the next financial year we will follow up all recommendations included in the action plan.

JDH Business Services Limited

**INTERNAL AUDIT REPORT
WEM TOWN COUNCIL – 2025/26 -YEAR END**

ACTION PLAN

	ISSUE	RECOMMENDATION	FOLLOW UP
1	2025/2026 Year end audit – review of final accounts We are pleased to note no issues arising from the year end audit.		
2025/26 interim audit recommendations			
1	A contract for floral planters has been awarded in 2025/26. The minutes record that the financial regulations were suspended in order to permit one quote to be received but do not state why only one quote was received. The financial regulations require that the reason for suspension of the regulations should be recorded.	<i>The minutes should record reasons as to why only one quote was received (e.g. three quotes were requested but only one received) when recording the decision to suspend the financial regulations.</i>	This has been noted and will be actioned.
2	Compliance with data protection laws is a new category (Assertion 10) within the Annual Governance Statement for 2025/26.	<i>The council needs to ensure that all the systems, procedures, and policies to demonstrate compliance with data protection laws as required by the new Assertion 10 are in place.</i>	Systems, procedures and policies demonstrate compliance. Website upgrade to take place in 2026.
2024/25 year-end internal audit recommendations			
1	The Council have not approved a risk assessment in 2024/25.	<i>The risk assessment should be carried out and formally approved annually by Council.</i>	Implemented – Risk assessment now appears on April agendas.

**INTERNAL AUDIT REPORT
WEM TOWN COUNCIL – 2025/26 -YEAR END**

	ISSUE	RECOMMENDATION	FOLLOW UP
	A risk assessment was carried out in March 2025 but it was not approved by council until April 2025.		
2	The Council installed a solar panel system on the swimming pool at a cost of £102,523. The final invoice was paid in October 2024 but the solar panel system has not been included in the asset register as a final grant relating to the funding had not been received by 31/3/25 (this is correctly included in the accounts as a debtor).	<i>As the solar panel system has been fully installed and is owned by the Council, it should be included in the asset register as at 31/3/25 and adequately insured.</i>	The annual return and asset register were both updated to add the solar panels prior to internal audit signing the annual return.
2024/25 interim audit recommendations			
1	<p>Budgetary Control:</p> <p>The newly adopted Financial Regulations do not contain any controls over budget virements or budgetary control reporting as currently the new FRs state only the following:</p> <p><i>4.10. The agreed budget provides a basis for monitoring progress during the year by comparing actual spending and income against what was planned.</i></p>	<i>The council should ensure that appropriate internal controls over virements and budgetary control reporting are incorporated into the adopted Financial Regulations.</i>	The Council have added an amendment to the 2025 update.

**INTERNAL AUDIT REPORT
WEM TOWN COUNCIL – 2025/26 -YEAR END**

	ISSUE	RECOMMENDATION	FOLLOW UP
	<p>The previous model Financial Regulations contained both detailed controls for virement authorisations and budgetary control reporting as follows:</p> <p><i>4.2. No expenditure may be authorised that will exceed the amount provided in the revenue budget for that class of expenditure other than by resolution of the council, or duly delegated committee. During the budget year and with the approval of council having considered fully the implications for public services, unspent and available amounts may be moved to other budget headings or to an earmarked reserve as appropriate ('virement').</i></p> <p><i>4.8. The RFO shall provide quarterly the council with a statement of receipts and payments to date under each head of the budgets, comparing actual expenditure to the appropriate date against that planned as shown in the budget. These statements are to be prepared at least at the end of each financial quarter and shall show explanations of material variances. For this purpose "material" shall be in excess of £xxx or xx% of the budget.</i></p>		

**INTERNAL AUDIT REPORT
WEM TOWN COUNCIL – 2025/26 -YEAR END**

	ISSUE	RECOMMENDATION	FOLLOW UP
2	The Council do not have a signed data processing agreement with the payroll agent.	<i>The Council should ensure that a data processing agreement is in place with the payroll agent.</i>	Implemented