

Section 1 – Annual Governance Statement 2024/25

We acknowledge as the members of:

WEM TOWN 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 2025, 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 took all reasonable steps to assure 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
			✓

***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:

26/06/2025

and recorded as minute reference:

40/25-29 C i REFERENCE

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

Chair

Clerk

[Signature]
SIGNATURE REQUIRED
[Signature]
SIGNATURE REQUIRED

WWW.WEM.GOV.UK OR PUBLICLY AVAILABLE WEBSITE/WEBPAGE ADDRESS

Section 2 – Accounting Statements 2024/25 for

WEM TOWN COUNCIL

	Year ending		Notes and guidance
	31 March 2024 £	31 March 2025 £	
1. Balances brought forward	447,162	432,167	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	380,394	400,000	Total amount of precept (or for IDBs rates and levies) received or receivable in the year. Exclude any grants received.
3. (+) Total other receipts	82,757	159,541	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	133,504	141,052	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	3,761	3,616	Total expenditure or payments of capital and interest made during the year on the authority's borrowings (if any).
6. (-) All other payments	340,881	412,550	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	432,167	434,490	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	472,557	452,030	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	1,676,216	1,736,645	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	13,500	10,500	The outstanding capital balance as at 31 March of all loans from third parties (including PWLB).

For Local Councils Only	Yes	No	N/A	
11a. Disclosure note re Trust funds (including charitable)		✓		The Council, as a body corporate, acts as sole trustee and is responsible for managing Trust funds or assets.
11b. Disclosure note re Trust funds (including charitable)			✓	The figures in the accounting statements above exclude any Trust transactions.

I certify that for the year ended 31 March 2025 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

R Roberts

Date

18/06/2025

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

26/6/25

as recorded in minute reference:

40/25-29 c.i.

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

[Signature]

Annual Internal Audit Report 2024/25

WEM TOWN COUNCIL AUTHORITY

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During the financial year ended 31 March 2025, 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 2024/25 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.		✓	SEE INTERNAL AUDIT REPORT ISSUE 1
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. Petty cash payments were properly supported by receipts, all petty 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 2023/24, it met the exemption criteria and correctly declared itself exempt. (If the authority had a limited assurance review of its 2023/24 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 2024-25 AGAR period, were public rights in relation to the 2023-24 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 2023/24 AGAR (see AGAR Page 1 Guidance Notes).	✓		

O. (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

Name of person who carried out the internal audit

25/02/2025 29/05/2025

EJDH BUSINESS SERVICES LTD

Signature of person who carried out the internal audit

JDM Business Services Ltd

Date 04/06/2025

*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 2024/2025

Bank - Cash and Investment Reconciliation as at 31 March 2025

Confirmed Bank & Investment Balances

Bank Statement Balances

31/03/2025	Petty Cash	55.70	
31/03/2025	Unity Bank	44,055.95	
31/03/2025	CCLA	330,739.00	
31/03/2025	Nationwide Business Saving	76,879.71	
31/03/2025	Unity Corporate Card	0.00	
			451,730.36

Receipts not on Bank Statement

300.00

Closing Balance

452,030.36

All Cash & Bank Accounts

4	Petty Cash	55.70	
8	Unity Bank	44,355.95	
9	CCLA	330,739.00	
10	Nationwide Business Saving	76,879.71	
11	Unity Corporate Card	0.00	
	Other Cash & Bank Balances	0.00	
	Total Cash & Bank Balances		452,030.36

Explanation of variances – pro forma

Name of smaller authority:

Wem Town Council

County area :

Shropshire

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);

• **New from 2020/21 onwards:** variances of £100,000 or more require explanation regardless of the % variation year on year;

	2023/24 £	2024/25 £	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	447,162	432,167				Explanation of % variance from PY opening balance not required - Balance brought forward agrees	
2 Precept or Rates and Levies	380,394	400,000	19,606	5.15%	NO		
3 Total Other Receipts	82,757	159,541	76,784	92.78%	YES		£5000 additional bank interest received in 24-25 £103,000 solar grant received in 24-25 No Heads Up Grant received in 24-25 (£10,000 received in 2023-24) Neighbourhood fund payment down by £2800 Streetlighting Insurance claim £5000 in 23-24 Cemetery income down by £11,400 in 24-25 No UKSPF grant received in 24-25 (£2500 in 23-24)
4 Staff Costs	133,504	141,052	7,548	5.65%	NO		
5 Loan Interest/Capital Repayment	3,761	3,616	-145	3.86%	NO		
6 All Other Payments	340,881	412,550	71,669	21.02%	YES		£103,000 solar energy project in 24-25 £3000 more spent on Christmas lights in 24-25 than in previous year £6800 spent on new toilet doors in 24-25 No spending on skate ramps (£5100 in 23-24) No spending on railings (£10400 in 23-24) Spending on swimming pool maintenance and repair was down by £25700
7 Balances Carried Forward	432,167	434,490				VARIANCE EXPLANATION NOT REQUIRED	
8 Total Cash and Short Term Investments	472,557	452,030				VARIANCE EXPLANATION NOT REQUIRED	
9 Total Fixed Assets plus Other Long Term Investments and	1,676,216	1,736,645	60,429	3.61%	NO		
10 Total Borrowings	13,500	10,500	-3,000	22.22%	YES		Streetlighting loan repayment

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 2025

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	432,167.30	434,490.24
100	Debtors	330.00	4,101.07
105	VAT Control A/c	9,212.13	11,543.08
120	Stock	1,680.00	1,680.00
	Less Total Debtors	11,222.13	17,324.15
501	YE Credit Card	0.00	156.10
510	Accruals	48,979.12	31,847.02
520	Wages control account	2,405.17	2,861.15
560	Receipts in Advance	228.00	0.00
	Plus Total Creditors	51,612.29	34,864.27
	Equals Total Cash and Bank Accounts	472,557.46	452,030.36
205	Bulmer Cott Fund	28.66	0.00
210	Developers Reserve Fund	20.45	0.00
220	Active Saver	16.25	0.00
225	Hosp Account	100.44	0.00
230	Unity Bank	49,088.77	44,355.95
235	CCLA	330,739.00	330,739.00
240	Nationwide Business Saving	92,525.80	76,879.71
250	Petty Cash	38.09	55.70
	Total Cash and Bank Accounts	472,557.46	452,030.36

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	Penny O'Hagan	David Parry
Address	Wem Town Council Wem Library High Street Wem SY4 5AA	30 Saulton Road Wem SY4 5HR
Daytime telephone number	01939 232733	01939 232733
Mobile telephone number		
Email address	info@wem.gov.uk	David.parry@wem.gov.uk

INTERNAL AUDIT REPORT – INTERIM WEM TOWN COUNCIL 2024/2025

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 – 2024/2025 -INTERIM**

ACTION PLAN

	ISSUE	RECOMMENDATION	FOLLOW UP
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> <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</i></p>	<p><i>The council should ensure that appropriate internal controls over virements and budgetary control reporting are incorporated into the adopted Financial Regulations.</i></p>	

**INTERNAL AUDIT REPORT
WEM TOWN COUNCIL – 2024/2025 -INTERIM**

	ISSUE	RECOMMENDATION	FOLLOW UP
	<p><i>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>		
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>	
2023/24 internal audit recommendations			
1	No issues identified in the review of the year-end accounts.	<i>No recommendations</i>	
2023/24 interim internal audit recommendations			
1	Testing of a sample of payments identified that £1842.55 of VAT paid on the Christmas Lighting Contract (14/11/23 ref	<i>An adjustment should be posted to the Rialtas ledger and if this hasn't been included within the quarterly VAT return, an adjustment should</i>	Implemented

**INTERNAL AUDIT REPORT
WEM TOWN COUNCIL – 2024/2025 -INTERIM**

	ISSUE	RECOMMENDATION	FOLLOW UP
	158.23) had not been coded to the VAT account within the ledger but had been included within the Christmas lighting code. This could lead to the VAT not being claimed on this payment.	<i>be made to the next VAT return.</i>	
2	Section 6.14 of the financial regulations require: <i>The council, and any members using computers for the council's financial business, shall ensure that anti-virus, anti-spyware and firewall software with automatic updates, together with a high level of security, is used.</i> The Clerk has obtained information relating to 3 of the 4 bank signatories who use computers for the council's financial business.	<i>The Council need to ensure robust cyber security measures are in place that meet the requirements of s6.14 of the financial regulations.</i>	The Council have resolved that checks are made to ensure that all bank signatories who have authority to access the Town Council's bank accounts via the internet can meet Financial Regulation 6.14 prior to becoming approved as a signatory.
3	The Council do not include income sampling in their internal control checks.	<i>The periodic checks carried out by members should include income sampling. The sample items should be agreed to price lists.</i>	Scrutiny of income has been added to future monthly checks. Follow up in 24/25.

INTERNAL AUDIT REPORT – YEAR END WEM TOWN COUNCIL 2024/2025

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 – 2024/2025 -YEAR END**

ACTION PLAN

	ISSUE	RECOMMENDATION	FOLLOW UP
1	<p>The Council have not approved a risk assessment in 2024/25.</p> <p>A risk assessment was carried out in March 2025 but it was not approved by council until April 2025.</p>	<p><i>The risk assessment should be carried out and formally approved annually by Council.</i></p>	
2	<p>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).</p>	<p><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></p>	<p>The annual return and asset register were both updated to add the solar panels prior to internal audit signing the annual return.</p>
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>The council should ensure that appropriate internal controls over virements and budgetary control reporting are incorporated into the adopted Financial Regulations.</i></p>	<p>The Council have added an amendment to the 2025 update.</p>

**INTERNAL AUDIT REPORT
WEM TOWN COUNCIL – 2024/2025 -YEAR END**

	ISSUE	RECOMMENDATION	FOLLOW UP
	<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> <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</i></p>		

**INTERNAL AUDIT REPORT
WEM TOWN COUNCIL – 2024/2025 -YEAR END**

	ISSUE	RECOMMENDATION	FOLLOW UP
	<i>explanations of material variances. For this purpose “material” shall be in excess of £xxx or xx% of the budget.</i>		
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>	To be considered at the June 2025 finance committee.
2023/24 internal audit recommendations			
1	No issues identified in the review of the year-end accounts.	<i>No recommendations</i>	
2023/24 interim internal audit recommendations			
1	Testing of a sample of payments identified that £1842.55 of VAT paid on the Christmas Lighting Contract (14/11/23 ref 158.23) had not been coded to the VAT account within the ledger but had been included within the Christmas lighting code. This could lead to the VAT not being claimed on this payment.	<i>An adjustment should be posted to the Rialtas ledger and if this hasn't been included within the quarterly VAT return, an adjustment should be made to the next VAT return.</i>	Implemented
2	Section 6.14 of the financial regulations require: <i>The council, and any members using computers for the council's financial business, shall ensure that anti-virus, anti-spyware and firewall software with</i>	<i>The Council need to ensure robust cyber security measures are in place that meet the requirements of s6.14 of the financial regulations.</i>	The Council have resolved that checks are made to ensure that all bank signatories who have authority to access the Town

**INTERNAL AUDIT REPORT
WEM TOWN COUNCIL – 2024/2025 -YEAR END**

	ISSUE	RECOMMENDATION	FOLLOW UP
	<i>automatic updates, together with a high level of security, is used.</i> The Clerk has obtained information relating to 3 of the 4 bank signatories who use computers for the council's financial business.		Council's bank accounts via the internet can meet Financial Regulation 6.14 prior to becoming approved as a signatory.
3	The Council do not include income sampling in their internal control checks.	<i>The periodic checks carried out by members should include income sampling. The sample items should be agreed to price lists.</i>	Scrutiny of income has been added to monthly checks.