

Okehampton Town Council
Annual Governance Accountability Return (AGAR)
Section 1 – Annual Governing Statement 2025/26

The Practitioners' Guide is issued by the Smaller Authorities' Proper Practices Panel (SAPPP) to support the preparation by smaller authorities, including local councils, in England of statutory annual accounting and governance statements found in the AGAR.

This report consolidates evidence demonstrating Okehampton Town Council's (OTC) compliance with Section 1, Accounting Statements, of the AGAR for the year ended 31st March 2026. It references council minutes, financial regulations, internal and external audit reports, and statutory notices to support each statement.

OTC are required to approve the annual governance statement by resolution of members of the council, in advance of the authority approving the accounting statements in Section 2 of the AGAR.

1. Financial management and preparation of accounting statements

We have put in place arrangements for effective financial management during the year, and for the preparation of the accounting statements

Budgeting

OTC followed a process that commenced with budget workshops in August 2025 which was open to attendance by all councillors. At these workshops the budget spend to date in the current financial year was reviewed, including reserves, and a first draft of the budget for 2026/27 was considered.

Each Committee has at least two opportunities to review their section of the budget and make recommendation to the Policy & Resources Committee (P&R). P&R review the proposed budget and make recommendation to the Council.

The budget and precept for the 2025/26 financial year were resolved at a meeting of the Council on 20th January 2025, minute reference 545.

Monthly financial management reports, including reserves, are reviewed and monitored at P&R meetings throughout the year.

Accounting records and supporting documents

The Town Clerk is the appointed Responsible Financial Officer (RFO) in accordance with Section 151 of the Local Government Act 1972. The day-to-day accounts are prepared by the Finance Officer (FO).

OTC uses Rialtas Omega accounting software which from April 2026 is cloud based to enhance security and backup arrangements. Rialtas are contracted to complete the annual financial Year End closedown process. This was undertaken on 12th May 2026 for the 2025/26 financial year.

Monthly financial management reports are reviewed by P&R.

Bank reconciliation

A Member, who is appointed annually, carries out an independent check of the bank statements, reconciliations, petty cash, debit card, BACS and other payments, and reports the findings to P&R.

For the 2025/26 financial year this was Cllr Marsh.

Investments

Investments and interest rates are reviewed at P&R meetings.

OTC has a Treasury and Investment Policy which is reviewed at least annually, the most recent being approved on 23rd March 2026.

Statement of accounts

Management accounts are prepared on a monthly basis and reviewed by P&R.

End of year accounts are prepared following the financial closedown undertaken by Rialtas in conjunction with the FO. The year end reports are reviewed by Council and the internal auditor.

Management accounts and other financial information is regularly uploaded to the council website.

Reserves

OTC has a Reserves Policy that covers both general and earmarked reserves. The policy is reviewed at least annually the most recent being approved on 15th December 2025.

Details of all reserves are included within the monthly management accounts and year end reports, and as such are reviewed regularly by P&R. Reserves are also reviewed as part of the budgeting workshops, budget and precept setting process.

2. Internal Control

We maintained a robust system of internal control, including measures designed to prevent and detect fraud and corruption and reviewed its effectiveness

Standing Orders and Financial Regulations

Standing Orders were last reviewed by the council in May 2025.

Financial Regulations are reviewed at least annually by the Council. These were last reviewed and approved by the Council on 23rd March 2026.

Safe and Efficient Arrangements to Safeguard Public Money

A Financial Management and Risk Assessment is reviewed at least annually by the Council. This was last reviewed and approved by the Council on 23rd March 2026.

OTC regularly reviews the effectiveness of arrangements to protect money in a number of ways as noted below.

The Clerk has been appointed as the RFO.

Standing Orders and Financial Regulations set out the process for payment of goods and services. Two approved signatories are required to authorise payments.

P&R and/or the Council, in accordance with policy, approve the setting up of, and changes to banks and any other financial institutions that hold council funds, for example the CCLA. OTC has an historical 'sweeping' arrangement with accounts held at NatWest.

OTC does not have any credit cards. Debit cards are held by the Clerk and FO, the use of which is set out in Financial Regulations. Spend by the cards is checked by the nominated Member in conjunction with the monthly financial checks and reported to P&R.

Banking arrangements, including signatories and those with online access, are reviewed at least annually. Regular direct debits, standing orders and BACS transactions are reviewed annually along with annual subscriptions. These were reviewed on 3rd November 2025 by P&R, minute reference 342.

A Financial Risk Assessment and Policy is reviewed at least annually by the Council.

The FO has completed FiLCA and the Clerk is CiLCA qualified. Additional training is undertaken as required.

A competent independent internal auditor is appointed by the Council. Two in-person internal audits have been completed during the 2025/26 financial year: 7th October 2025 and 7th April 2026. Subsequent reports have been considered by the Council.

For day-to-day operational spending, staff are authorised to incur expenditure up to defined limits specified in the Financial Regulations without prior council approval.

A petty cash system is in place to avoid staff having to pay for items personally and to ensure that VAT can be reclaimed correctly, in accordance with the Practitioners' Guide where the Council is the paying body.

Employment

All employees have a contract of employment.

A salary schedule is reviewed annually by P&R, and as required for individual employees throughout the year.

The FO is responsible for the preparation of monthly salaries for all employees. These are approved by the Clerk/RFO and Mayor, following which payment is authorised by either the Council or a Committee in conjunction with the payment schedule.

OTCs pension is an LGPS scheme, provided through Peninsula Pensions.

Salary, employment contracts and pensions are checked annually by the internal auditor, the last check being on 7th April 2026.

VAT

The council is VAT registered, Registration Number 14476873.

Quarterly VAT reports are submitted by the FO and are checked by the Internal Auditor.

Fixed Assets and Equipment

OTCs asset register is in the process of being thoroughly reviewed and is being transferred from an excel spreadsheet to an online software package from Edge IT.

Some categories, silverware, regalia and artwork, were checked by Cllr Fisher on 11th February 2026, as stated by Cllr Fisher at a meeting of the Council on 23rd March 2026, but not evidenced in writing.

OTC has an Asset Register and Disposal Policy which was last reviewed by Council in September 2025.

The asset register, additions and disposals are reviewed at least annually by the Council, the last being on 23rd March 2026 for the year ended 31st March 2026 and is checked annually by the internal auditor.

Loans and Long-Term Liabilities

OTC does not have any long-term loans or liabilities.

Review of Effectiveness

The P&R Committee undertake an annual review of the effectiveness of the councils' internal controls and makes recommendation to the Council. The report was considered and approved by the Council on 23rd March 2026. This report complements that process.

3. Compliance with Laws, Regulations and Proper Practices

We took all reasonable steps to assure ourselves that there are no matters of actual or potential noncompliance with laws, regulations and proper practices that could have a significant financial effect on the ability of this smaller authority to conduct its business or on its finances

Acting within Powers

All Councillors are regularly offered training in their role as a councillor, including accounting practices and all Councillors can, if they wish, directly receive updates from DALC.

The Clerk/RFO is CiLCA qualified, has completed Levels 4 and 5 of the Community Governance courses and is working towards the BA(Hons) Degree. The FO has completed FiLCA.

The Clerk issues all agendas, normally 7 days in advance of a meeting.

Standing Orders and Financial Regulations are reviewed at least annually or sooner if a matter is raised that requires amendment. These are checked by the internal auditor.

Advice is sought by the Clerk from DALC or other bodies as required to ensure compliance with regulations.

General Power of Competence

The Council adopted the General Power of Competence at a meeting in May 2023 (minute reference 6) following the last local council elections and having met the criteria whereby at least two thirds of Members had been elected, and the Clerk was CiLCA qualified.

Regulation and Proper Practices

A competent independent internal auditor is appointed by the Council. Two in person internal audits have been completed during the 2025/26 financial year: 7th October 2025 and 7th April 2026. Subsequent reports have been considered by the Council.

Actions during the Year

Internal and external auditor reports are reviewed by the Council and actions are taken as appropriate in relation to any observations raised. No matters of non-compliance were raised in 2024/25.

No observations have been raised that indicate the council has taken any decision during the 2025/26 financial year or authorised any action that exceeds its powers or contravenes any laws, regulations or proper practices throughout the year.

These reports are also uploaded to the Town Council's website so that they are available to view by the public.

4. Electors' Rights

We provided proper opportunity during the year for the exercise of electors' rights in accordance with the requirements of the Accounts and Audit Regulations

Note – as required, this information in this section relates to the AGAR for 2024/25.

Exercise of Public Rights

OTC provided for the exercise of public rights for inspection of the unaudited accounts as set out in Sections 26 and 27 Of the Local Audit and Accountability Act 2014. As required this was published on the council's website and noticeboards by the RFO. The inspection period being 5th June 2025 to 16th July 2025 inclusive as resolved by the Council on 2nd June 2025 (minute reference 59.4)

Also published were Sections 1 Annual Governance Statement and 2 Accounting Statements of the AGAR.

External Auditor's Review

A notice of the conclusion of the external auditor's limited assurance review of the AGAR, together with relevant accompanying information, was published on the council's website and noticeboards in accordance with the requirements of Regulation 16 of the Accounts and Audit Regulations 2015 on 5th August 2025.

Parish Meeting

The Annual Town Assembly was held in the Charter Hall on 16th March 2026 having been called by the Mayor on 23rd February 2026. The previous Annual Town Assembly was held on 8th April 2025 in the Charter Hall having been called by the Mayor on 18th March 2025.

5. Risk Assessment and Management

We carried out an assessment of the risks facing this smaller authority and took appropriate steps to manage those risks, including the introduction of internal controls and/or external insurance cover where required

Identifying and assessing risks

OTC uses a number of methods to identify and assess risks for all areas of its business. These include:

- Financial Management and Risk Assessment – Reviewed at least annually by the Council. Last review, March 2026
- Internal Control Statement – Reviewed at least annually by the Council. Last review, March 2026
- Health & Safety Audit by Peninsula HR, March 2026
- Fire Audit by FRA Compliance, November 2025
- HR Advisor - Peninsula HR
- Business Continuity Plan – Reviewed at least annually, last review July 2025
- Building and asset revaluations
- Internal and external audits
- Insurance Policies – Policy renewed by Council on 23rd March 2026. Insurance expires 31st March 2027.
- Through due diligence by Officers during their work, as required these are reported to, and considered by a Committee or Council, for example the risk of loss of allotment facilities in the town and the impact on council financial and staffing resources
- Financial audits by a nominated Councillor

Addressing Risks

- Risk Assessments – reviewed at least annually
- Consideration of the council or a committee

6. Adequate and Effective System of Internal Audit

We maintained throughout the year an adequate and effective system of internal audit of the accounting records and control systems

Internal Audit

Following a review of quotations for internal audit services, IAC Audit and Consultancy Ltd were appointed by the council on 30th June 2025 (minute reference 110) for a 3-year agreement for the 2025/26, 2026/27 and 2027/28 financial years, to include an interim and year end audit.

Internal Auditor Independence

The internal auditor, IAC Audit and Consultancy Ltds competency and independence from the council's financial decision making was reviewed in conjunction with the appointment. Neither the company or internal auditor have any links to the council in any other capacity, or to Members and employees.

Provision of Information

Documentation as required by the internal auditor was made available for inspection and explanations provided where necessary.

7. Reports from Auditors

We took appropriate action on all matters raised in reports from internal and external audit

2024/25

Observations arising from the internal audit on 8th October 2024 were reported to the Council on 28th October 2024 alongside the actions and recommendations raised.

Observations arising from the internal audit on 5th March 2025 were reported to the Council on 31st March 2025 alongside the observations raised and actions taken to address them.

No areas of non-compliance were reported by the Internal or External Auditors and no matters of concern were raised by the External Auditor for the attention of the Council.

2025/26

Internal audits were undertaken on 7th October 2025 and 7th April 2026. No areas of non-compliance were observed.

The single observation arising from the internal audit on 7th October 2025 was reported to the Council on 24th November 2025 (minute reference 406.2) when recommended actions were approved.

An observation arising from the internal audit on 7th April 2026 relating to the checking of assets was noted by the Council on 27th April 2026 (minute reference 709.3).

The final internal audit for the year will be undertaken following the year end financial closedown.

8. Significant Events

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 smaller authority and, where appropriate have included them in the accounting statements

The Town Council have been subject to 3 Freedom of Information requests during the 2025/26 financial year, and all were properly actioned within the timescales dictated by the Freedom of information Act 2000.

The internal control systems have been proven to be effective, as evidenced by this report and by a direct example - identification of a potentially fraudulent transaction by the FO on 10th March 2025. An unexpected direct debit of £36.80 had been taken from the Council's main Lloyds bank account by DVLA. Prompt investigation revealed the payment was for a vehicle the Council did not own. The bank confirmed the amount should not have been taken from the account and a full refund was received along with £50 compensation.

9. Trust Funds

The council is a sole managing trustee and has discharged its accountability responsibilities for the funds/assets, including financial reporting, and if required, independent examination or audit.

OTC is Sole Managing Trustee of Simmons Park Charity. The Trustee has met on 3 occasions throughout the 2025/26 financial year. There is a management agreement between the Charity and OTC that sets out accountability and responsibility. The agreement is due for renewal in 2026.

Financial reports are uploaded to the Charity Commission website within the required timescales. Independent examination or audit is not required.

There are separate bank accounts for the charity. The financial transactions of the trust/charity do not form part of the council's accounts and are therefore not included in the figures reported on Section 2 of the AGAR.

10. Digital and Data Compliance

We have put in place arrangements for the effective IT and data management in accordance with proper practices during the year under review.

Email Management

OTC has a generic email. Employee emails are, for example townclerk@okehampton.gov.uk. All Members who use email for communication are issued with a council email, in the format firstname.surname@okehampton.gov.uk

Website and Accessibility

OTC has its own website and owns its own domain – www.okehampton.gov.uk
The website is tested annually for compliance, the most recent being on 19th March 2026. An issue relating to the facilities diary was resolved on 30th March 2026. A statement detailing the testing is [available on the website](#).

Documentation as specified in the Freedom of Information Act 2000 and the Transparency code for smaller authorities (where applicable) is published on the website.

OTC complies with the UK General Data Protection Regulation and the Data Protection Act (DPA) 2018.

OTC completed a data audit in October 2025 to review all data held by the council.

The data protection policy was reviewed in January 2025, and the Privacy notice was reviewed after the data audit in December 2025.

OTC adopted an IT Policy in November 2025.

On 7th April 2026 the internal auditor undertook the required testing for Assertion 10. The required criteria as listed below, and raised no observations or areas of non-compliance.

- Ensure local authority has an up-to-date IT Policy

- Ensure the local authority has a generic email
- Enquire as to when the council last conducted a website accessibility test
- Enquire as when the council last conducted a data audit in accordance with GDPR practices.

All Council devices use two factor authentication and staff have been provided with mobile phones to remove any personal data relating to the council from their personal mobiles.

The Internal Audit has not raised any observations in relation to Assertion 10, and the Council complies with the requirements.