STAUNTON ON WYE GROUP PARISH COUNCIL

1 September 2026

Background Note

A. What happened

A public interest report has been issued by the external auditor, PKF, on behalf of Small Authorities Audit Appointments, the statutory body responsible.

A public interest report is issued under Schedule 7 of the Local Audit and Accountability Act 2014. The Act requires the Council to consider a public interest report at a public meeting within one month of the date of the report.

The auditor has a duty to send a copy of each report to the Secretary of State at the Ministry of Housing, Communities and Local Government and the power to send a copy to other appropriate persons such as the local Monitoring Officer.

These statements are rare. There are around 8,500 precepting parish councils in England. So far in this audit round (e.g. since the start of this financial year), just one has been issued – to Staunton on Wye. Just four have been issued in 2026 (https://www.saaa.co.uk/public-interest-reports/):

As a result the Council is charged the usual £242.00 external audit fee, but a further £315.00 (plus VAT). The Council will not be eligible to claim itself exempt in 2026/27, even if it otherwise would be entitled to do so.

Recently Published Reports

Scroll down for all Reports published by year

Name of Authority	Date Report Issued	Financial Year	Type of Report	Link to Report
Staunton on Wye Group Parish Council	5 August 2026	2024/2025	Incorrectly Certified as Exempt	Public Interest Report
Great Doddington Parish Council	17 February 2026	2024/2025	Failure to Submit AGAR	Public Interest Report
Hoveringham Parish Council	11 February 2026	2024/2025	Incorrectly Certified as Exempt	Public Interest Report
Great Shefford Parish Council	11 February 2026	2024/2025	Incorrectly Certified as Exempt	Public Interest Report
Chilton Polden Parish Council	18 December 2025	2024/2025	Failure to Submit AGAR	Public Interest Report

B. Why did it happen

The Council claimed exemption from the requirement to submit to external audit in 2024-25 on the basis that either its income or its expenditure was below £25,000. In fact, due to work on the War Memorial, it's income was £33,959.

The exemption certificate, financial statement and the now corrected bank reconciliations are attached.

This contravenes two requirements: to claim exemption of the basis of a turnover below £25,000, and having claimed exemption when it was not entitled to it, to fail to submit a completed Annual Governance and Accountability Return. This contravenes regulation 9 of The Local Audit (Smaller Authorities) Regulations 2015.

That the situation arose in the way it did means the Council may also be regarded as having failing to meet the requirements of regulations 3 and 4 of The Accounts and Audit Regulations 2015:

Responsibility for internal control

3. A relevant authority must ensure that it has a sound system of internal control which—

(a)facilitates the effective exercise of its functions and the achievement of its aims and objectives;

(b)ensures that the financial and operational management of the authority is effective; and

(c)includes effective arrangements for the management of risk.

Accounting records and control systems

4.—(1) Subject to paragraphs (3) and (4), and, in so far as they are not in conflict with those paragraphs, to any instructions given by a relevant authority to its responsible financial officer, that officer must determine, on behalf of the authority—

(a)the form of its accounting records and supporting records; and

(b)its financial control systems.

(2) The responsible financial officer for a relevant authority must ensure on behalf of that authority that the financial control systems determined by that officer in accordance with sub-paragraph (1)(b) are observed and that the accounting records of the authority are kept up to date.

(3) The accounting records must, in particular, contain—

(a)entries from day to day of all sums of money received and expended by the authority and the matters to which its income and expenditure or receipts and payments relate; and

(b)a record of the assets and liabilities of the authority.

(4) The financial control systems determined in accordance with paragraph (1)(b) must include–

(a)measures—

(i)to ensure that the financial transactions of the authority are recorded as soon as, and as accurately as, reasonably practicable;

(ii)to enable the prevention and the detection of inaccuracies and fraud, and the reconstitution of any lost records; and

(iii)to ensure that risk is appropriately managed;

(b)identification of the duties of officers dealing with financial transactions and division of responsibilities of those officers.

C. How the problem arose

The Council took over responsibility for the War Memorial fund raising after the project had begun, funds already raised, and a bank account created to hold those funds. The Council created a committee to manage this matter. The committee's terms of reference were clear but the existing bank account – and a separate accounting system – was maintained, with signatories operating the account outside the regular system of Council control. The Council was in any case defective in internal controls in that it did not have Financial Regulations.

War Memorial activities were incorrectly perceived to be outwith the Council's financial ambit, and thus its accounting figures were not integrated into the 2024/25 statements, disclosed to the Council's internal auditor, or known to the new Clerk on his appointment at the meeting of 12th May 2025 (nor for several months after) at which the 2024/25 statements were approved.

There is no suggestion of impropriety on anyone's part.

D. What has been done to correct internal control

The Council has taken steps at every meeting to improve internal control, and to adopt and apply an appropriate suite of policies and regulatory checks.

At the meeting on 12th May 2025 the Council adopted financial regulations, standing orders, a risk management policy and agreed to move to a gov.uk website compliant with Local Audit and Accountability Act 2014, the Accounts and Audit Regulations 2015 and the Local Government Transparency Code 2025.

In considering the internal audit report at that meeting the Council acknowledged – even before the failure to incorporate War Memorial figures into its account – that internal control must be improved.

Minutes state (2025/18): "The Chairman drew attention, as signs of the Council's serious intent, to the adoption of new standing orders and financial regulations, the steps taken to provide a compliant website, further work now agreed on risk management and reserves, and the appointment of a new Clerk who has completed training for a CiLCA qualification. He warmly thanked the Internal Auditor for her work.

After discussion it was **RESOLVED** to receive and note the Annual Internal Audit report, to fully and unreservedly accept the findings and recommendations of the internal audit, in particular to begin quarterly verification of bank reconciliations and regular presentation of the cash-book with budget monitoring."

June 2025: the Council adopted suitable policies, revised its banking mandate, adopted a budget for 2025/26 (which ought to have been agreed before the precept was set), and appointed a councillor to conduct quarterly verification of bank reconciliation, which has be conducted every quarter since.

September 2025: revised risk management and reserves policies adopted.

December 2025: The Council adopted a budget and then set a precept; it wound-up the War Memorial Committee and allocated its balances. The Minutes (2025/72) read:

Councillors Andrews and Boddington rejoined the meeting.
The Council received a financial report from the War Memorial Committee, and considered winding up the Committee's affairs, and transferring balances to the Parish Council's Unity Trust account. A copy of the terms of reference is attached, together with the Committee's bank reconciliation and balance sheet. The Committee has reported as follows:
It has returned £6,000 of donated funds to Ben Bathurst Memorial Trust, 20th November 2025
The remaining project funds are approximately £5,887.31, for transfer to the PC, 1st December 2025. The committee request that these remaining project funds, approximately £5,887.31, be used in future for the following activities:

- Publishing Expenses and Postage, current and future, approximately £1,700
- Care and Maintenance of Doctors Pool and Plaque (plaque cost £150 still outstanding) at the Original War Memorial Site, which is privately owned. Future care will be for the plaque only.
- Maintenance / Replacement of Benches, Paving, Soldier if / when needed

Unused paving stones and a single fence post are currently stored at CR Jenkins in Staunton. After discussion it was **RESOLVED** to record sincere thanks to the committee for their work, and their successful efforts to relocate the war memorial; that the disbursement of funds as recommended by the Committee be agreed, the transfer of the balance of funds now received of £5,883.06 is noted, the unspent balance (after current commitments) to be regarded as allocated reserves for the future maintenance of the war memorial, and accordingly the committee is now dissolved.

<u>March 2026:</u> The Council considered the report of the clerk. The minutes(2025/100) read:

The Council considered the annual review of effectiveness including response to internal auditors report 2024/25, as prepared by the Clerk and the Finance Working Group (previously circulated, now attached). The Council's Risk Management Policy, adopted in September 2025, requires an annual review of effectiveness on risk management and internal control. The Clerk met with the Finance Working Group (Councillors Boddington, Jones and Sellar) on 11 February 2026, and the report records the conclusions.

It was **RESOLVED** that, recalling its resolution of May 2025 fully and unreservedly accepting the findings and recommendations of the internal audit, in particular to begin quarterly verification of bank reconciliations and regular presentation of the cash-book with budget monitoring; and noting that these practices have become regular; and that a reserves policy, risk management policy, risk register, discipline and grievance policy, revised asset register, information technology policy, data protection and freedom of information policies have been adopted and implemented, agrees the responses to the internal auditor's recommendations identified in the report prepared by the Clerk and the Finance Working Group, and that in the coming year the Council will review two further areas of risk: insurance, which has not been reviewed recently and may no longer be suitable, given the increase in lengthsman activities; and improved analysis of planning applications and their policy consequences.

<u>July 2026:</u> The Clerk has been awarded the Certificate in Local Council Administration, as anticipated at Minute 2025/18.

E. What must the Council do now

The Council is now obliged to:
(5) ...consider the report or recommendation at a meeting held before the
end of the period of one month beginning with the day on which it was sent to the authority.
(6) At that meeting the relevant authority must decide—
(a) whether the report requires the authority to take any action or whether the recommendation is to be accepted, and
(b) what, if any, action to take in response to the report or recommendation.

(Local Audit and Accountability Act 2014, Schedule 7, paragraph 5)
Publicity for decisions under paragraph 5 or 6
10 (1) As soon as is practicable after making decisions under paragraph 5(6) or (7) or 6(6), a relevant authority must—
(a) notify the authority's local auditor of those decisions, and
(b) publish a notice containing a summary of those decisions which has been approved by the auditor.
(2) The notice under sub-paragraph (1)(b) must be published—

(a) if the relevant authority has a website, on its website;
(b) otherwise, in such manner as the authority thinks is likely to bring the notice to the attention of persons who live in its area.
(3) The notice required by sub-paragraph (1)(b) in relation to a meeting need not summarise any decision made while the public were excluded from the meeting—
(a) as the result of a resolution under section 1(2) of the Public Bodies (Admission to Meetings) Act 1960 (protection of public interest),
(b) under section 100A(2) of the Local Government Act 1972 (confidential matters), or
(c) as the result of a resolution under section 100A(4) of that Act (exempt information).
(4) If sections 100C and 100D of the Local Government Act 1972 (availability for inspection after meetings of minutes etc) apply in relation to a meeting under paragraph 5 or 6, the notice required by sub-paragraph (1)(b) must indicate the documents in relation to the meeting that are open for inspection in accordance with those paragraphs.
(5) This paragraph applies in addition to any provision made in relation to the relevant authority by or under the Public Bodies (Admission to Meetings) Act 1960, the Local Government Act 1972 or any other enactment.
(paragraph 10)

Appendix

Certificate of Exemption – AGAR 2024/25 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 2025, 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 2025 and a completed Certificate of Exemption is submitted no later than **30 June 2025** notifying the external auditor.

Staunton on Wye and District Group Parish Council

certifies that during the financial year 2024/25, 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 2024/25:	£8,160
Total annual gross expenditure for the authority 2024/25:	£5,709

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 2021
- In relation to the preceding financial year (2023/24), 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 2025.
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:	
David Thane	12/05/2025		12/05/2025
Signed by Chair	Date	as recorded in minute reference:	
N. A Sell	12/05/2025	2025/21	

Generic email address of Authority: clerk@stauntononwyegroupparishcouncil.org

Telephone number: 07599 837560

*Published web address

https://www.stauntononwyegroupparishcouncil.org/

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 2025. Reminder letters for late submission will incur a charge of £40 + VAT.

Section 2 – Accounting Statements 2024/25 for

Staunton on Wye and District Group Parish Council

	Year ending 31 March 2024 £	Year ending 31 March 2025 £	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	4,382	6,110	*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	4,000	6,000	*Total amount of precept (or for IDBs rates and levies) received or receivable in the year. Exclude any grants received.*
3. (+) Total other receipts	918	2,160	*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	770	2,000	*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	2,419	3,709	*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	6,110	8,561	*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	6,110	8,561	*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	31,000	36,730	*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	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.*

Section 2 – Accounting Statements 2025/26 for

Staunton on Wye Group Parish Council

	Year ending		Notes and guidance
	31 March 2025 £	31 March 2026 £	*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	6,110	38,645	*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	6,000	6,200	*Total amount of precept (or for IDBs rates and levies) received or receivable in the year. Exclude any grants received.*
3. (+) Total other receipts	33,959	18,040	*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	2,000	4,649	*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	5,424	53,668	*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	38,645	4,568	*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	38,645	4,568	*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	18,445	22,720	*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.

David Thrane

Date 17/4/26

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

18/5/26

as recorded in minute reference:

2026/23

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

Nigel Sell

STAUNTON ON WYE GROUP PARISH COUNCIL

BANK RECONCILIATION YEAR ENDING 31ST MARCH 2025

RESTATEMENT AT 31 MARCH 2026

Opening balance - 1st April 2024 from bank statements	
Lloyds Current account	£ 6,110
Plus receipts from financial year 1st April 2024-31st March 2025	£ 8,160
Less payments from financial year 1st April 2024-31st March 2025	£ 5,709
Plus Opening balance - 1st April 2024 from bank statements	
War Memorial Account	£ 0.00*
Plus receipts from financial year 1st April 2024-31st March 2025	£31,798.60
Less payments from financial year 1st April 2024-31st March 2025	£ 1,715.44
	£38,644.55
Bank balance at 31st March 2025	
Lloyds Current Account	£ 8,561.39
War Memorial Account	£30,083.16
Balances brought forward:	**£38,644.55**

* opening balance of £818.50 is a donation, thus included in receipts

Prepared by David Thame, Clerk and RFO of Staunton on Wye Group Parish Council

STAUNTON ON WYE GROUP PARISH COUNCIL

BANK RECONCILIATION YEAR ENDING 31ST MARCH 2026

Opening balance - 1st April 2025 from bank statements	
Lloyds Current account	£ 8,561.39
Plus receipts from financial year 1st April 2025-31st March 2026	£15,737.65
Less payments from financial year 1st April 2025-31st March 2026	£19,731.40
Plus Opening balance - 1st April 2025 from bank statements	
War Memorial Account	£30,083.16
Plus receipts from financial year 1st April 2025-31st March 2026	£ 8,502.83
Less payments from financial year 1st April 2025-31st March 2026	£38,585.99
	£ 4,567.64

Bank balance at 31st March 2026	
Unity Current account	£ 542.28
Unity Deposit account	£ 4,025.36
Lloyds Current Account	£ 0
War Memorial Account	£ 0
Balances brought forward:	**£ 4,567.64**

Prepared by David Thame, Clerk and RFO of Staunton on Wye Group Parish Council