



**Farnham Town Council**

**Papers for External Audit**

**Year ending 31<sup>st</sup> March 2026**

**2025-26 Audit**
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## **2025-26 Audit**

### **Section I –**

### **Completed and approved Annual Governance and Accountability Return**

# Annual Governance and Accountability Return 2025/26 Form 3

To be completed by Local Councils, Internal Drainage Boards and other Smaller Authorities\*:

- where the higher of gross income or gross expenditure exceeded £25,000 but did not exceed £15 million; or
- where the higher of gross income or gross expenditure was £25,000 or less but that:
  - are unable to certify themselves as exempt (fee payable); or
  - have requested a limited assurance review (fee payable)

## Guidance notes on completing Form 3 of the Annual Governance and Accountability Return 2025/26

1. Every smaller authority in England that either received gross income or incurred gross expenditure exceeding £25,000 **must** complete Form 3 of the Annual Governance and Accountability Return at the end of each financial year in accordance with *Proper Practices*.
2. **The Annual Governance and Accountability Return is made up of three parts, pages 3 to 6:**
  - The **Annual Internal Audit Report** **must** be completed by the authority's internal auditor.
  - **Sections 1 and 2** **must** be completed and approved by the authority.
  - **Section 3** is completed by the external auditor and will be returned to the authority.
3. The authority **must** approve Section 1, Annual Governance Statement, before approving Section 2, Accounting Statements, and both **must** be approved and published on the authority website/webpage **before 1 July 2026**.
4. An authority with either gross income or gross expenditure exceeding £25,000 or an authority with neither income nor expenditure exceeding £25,000, but which is unable to certify itself as exempt, or is requesting a limited assurance review, **must** return to the external auditor by email or post (not both) **no later than 30 June 2026** Reminder letters will incur a charge of £40 +VAT:
  - the Annual Governance and Accountability Return Sections 1 and 2, together with
  - a bank reconciliation as at 31 March 2026
  - an explanation of any significant year on year variances in the accounting statements
  - notification of the commencement date of the period for the exercise of public rights
  - Annual Internal Audit Report 2025/26Unless requested, do not send any additional documents to your external auditor. Your external auditor will ask for any additional documents needed.

Once the external auditor has completed the limited assurance review and is able to give an opinion, the Annual Governance and Accountability Return **Section 1, Section 2 and Section 3 – External Auditor Report and Certificate** will be returned to the authority by email or post.

## Publication Requirements

Under the Accounts and Audit Regulations 2015, authorities **must** publish the following information on the authority website/webpage:

Before 1 July 2026 authorities **must** publish:

- Notice of the period for the exercise of public rights and a declaration that the accounting statements are as yet unaudited;
- **Section 1 - Annual Governance Statement 2025/26** approved and signed, page 4
- **Section 2 - Accounting Statements 2025/26** approved and signed, page 5

Not later than 30 September 2026 authorities **must** publish:

- Notice of conclusion of audit
- **Section 3 - External Auditor Report and Certificate**
- **Sections 1 and 2 of AGAR** including any amendments as a result of the limited assurance review. It is recommended as best practice, to avoid any potential confusion by local electors and interested parties, that you also publish the Annual Internal Audit Report, page 3.

The Annual Governance and Accountability Return constitutes the annual return referred to in the Accounts and Audit Regulations 2015. Throughout, the words 'external auditor' have the same meaning as the words 'local auditor' in the Accounts and Audit Regulations 2015.

\*for a complete list of bodies that may be smaller authorities refer to schedule 2 to the Local Audit and Accountability Act 2014.

## Guidance notes on completing Form 3 of the Annual Governance and Accountability Return (AGAR) 2025/26

- The authority **must** comply with *Proper Practices* in completing Sections 1 and 2 of this AGAR. *Proper Practices* are found in the *Practitioners' Guide\** which is updated from time to time and contains everything needed to prepare successfully for the financial year-end and the subsequent work by the external auditor.
- Make sure that the AGAR is complete (no highlighted boxes left empty) and is properly signed and dated. Any amendments **must** be approved by the authority and properly initialled.
- The authority **should** receive and note the Annual Internal Audit Report before approving the Annual Governance Statement and the accounts.
- Use the checklist provided below to review the AGAR for completeness before returning it to the external auditor by email or post (not both) no later than 30 June 2026
- The Annual Governance Statement (Section 1) **must** be approved before the Accounting Statements (Section 2) and evidenced by the agenda or minute references, even where approved on the same day.
- The Responsible Financial Officer (RFO) **must** certify the accounts (Section 2) before they are presented to the authority for approval. The authority **must** in this order; consider, approve and sign the accounts.
- The RFO is required to commence the public rights period which **must** be a single period of 30 working days for inspection ( this excludes weekends and public holidays) which **must** include the first 10 working days of July.
- **You must inform your external auditor about any change of Clerk, Responsible Financial Officer or Chair, and provide relevant authority owned generic email addresses and telephone numbers.**
- Make sure that the copy of the bank reconciliation to be sent to your external auditor with the AGAR covers all the bank accounts. If the authority holds any short-term investments, note their value on the bank reconciliation. The external auditor **must** be able to agree the bank reconciliation to Box 8 on the accounting statements (Section 2, page 5). An explanation **must** be provided of any difference between Box 7 and Box 8. More help on bank reconciliation is available in the *Practitioners' Guide\**.
- Explain fully significant variances in the accounting statements on page 5. Do not just send a copy of the detailed accounting records instead of this explanation. The external auditor wants to know that you understand the reasons for all variances. Include complete numerical and narrative analysis to support the full variance.
- Additional costs may be incurred if additional audit work is required.
- Make sure that the accounting statements add up and that the balance carried forward from the previous year (Box 7 of 2025) equals the balance brought forward in the current year (Box 1 of 2026).
- The Responsible Financial Officer (RFO), on behalf of the authority, **must** set the commencement date for the exercise of public rights which **must** be a single period of 30 working days for inspection (this excludes weekends and public holidays) which **must** include the first 10 working days of July.
- The authority **must** publish on the authority website/webpage the information required by Regulation 15 (2), Accounts and Audit Regulations 2015, including the period for the exercise of public rights and the name and address of the external auditor **before 1 July 2026**

Completion checklist – 'No' answers mean you may not have met requirements		Yes	No
All sections	Have all highlighted boxes have been completed?	✓	
	Has all additional information requested, including the dates set for the period for the exercise of public rights, been provided for the external auditor?	✓	
Internal Audit Report	Have all highlighted boxes been completed by the internal auditor and explanations provided?	✓	
Section 1	For any statement to which the response is 'no', has an explanation been published?	✓	
Section 2	Has the Responsible Financial Officer signed the accounting statements before presentation to the authority for approval?	✓	
	Has the authority's approval of the accounting statements been confirmed by the signature of the Chair of the approval meeting?	✓	
	Has an explanation of significant variations been published where required?	✓	
	Has the bank reconciliation as at 31 March 2026 been reconciled to Box 8?	✓	
	Has an explanation of any difference between Box 7 and Box 8 been provided?	✓	
Sections 1 and 2	Trust funds – have all disclosures been made if the authority as a body corporate is a sole managing trustee? NB: do not send trust accounting statements unless requested.	✓	

**\*Governance and Accountability for Smaller Authorities in England – a Practitioners' Guide to Proper Practices**, can be downloaded from [www.nalc.gov.uk](http://www.nalc.gov.uk) or from [www.ada.org.uk](http://www.ada.org.uk)

# Annual Internal Audit Report 2025/26

## FARNHAM TOWN COUNCIL

<https://www.farnham.gov.uk/>

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**
	<b>A.</b> Appropriate accounting records have been properly kept throughout the financial year.	✓	
<b>B.</b> This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.	✓		
<b>C.</b> This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	✓		
<b>D.</b> The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.	✓		
<b>E.</b> Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.	✓		
<b>F.</b> Cash payments were properly supported by receipts, all cash expenditure was approved and VAT appropriately accounted for.	✓		
<b>G.</b> Salaries to employees and allowances to members were paid in accordance with this authority's approvals, and PAYE and NI requirements were properly applied.	✓		
<b>H.</b> Asset and investments registers were complete and accurate and properly maintained.	✓		
<b>I.</b> Periodic bank account reconciliations were properly carried out during the year.	✓		
<b>J.</b> 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.	✓		
<b>K.</b> 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>			✓
<b>L.</b> 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.	✓		
<b>M.</b> 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>	✓		
<b>N.</b> The authority has complied with the publication requirements for 2024/25 AGAR <i>(see AGAR Page 1 Guidance Notes).</i>	✓		
<b>O.</b> The authority has complied with laws, regulations & proper practices relating to digital and data compliance.	✓		
<b>P. (For local councils only)</b> Trust funds (including charitable) – The council met its responsibilities as a trustee.	Yes	No	Not applicable
	✓		

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

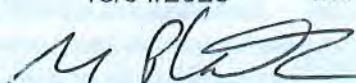
08/01/2026

12/03/2026

13/04/2026

MIKE PLATTEN CPFA

Signature of person who carried out the internal audit



Date

13/04/2026

\*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).

## Section 1 – Annual Governance Statement 2025/26

We acknowledge as the members of:

Farnham 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 2026, that:

	Agreed			'Yes' means that this authority:
	Yes	No*		
1. We have put in place arrangements for effective financial management during the year, and for the preparation of the accounting statements.	✓			prepared its accounting statements in accordance with the Accounts and Audit Regulations.
2. We maintained an adequate system of internal control including measures designed to prevent and detect fraud and corruption and reviewed its effectiveness.	✓			made proper arrangements and accepted responsibility for safeguarding the public money and resources in its charge.
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.	✓			has only done what it has the legal power to do and has complied with Proper Practices in doing so.
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.	✓			during the year gave all persons interested the opportunity to inspect and ask questions about this authority's accounts.
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.	✓			considered and documented the financial and other risks it faces and dealt with them properly.
6. We maintained throughout the year an adequate and effective system of internal audit of the accounting records and control systems.	✓			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.
7. We took appropriate action on all matters raised in reports from internal and external audit.	✓			responded to matters brought to its attention by internal and external audit.
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.	✓			disclosed everything it should have about its business activity during the year including events taking place after the year end if relevant.
<b>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.</b>	Yes	No	N/A	has met all of its responsibilities where, as a body corporate, it is a sole managing trustee of a local trust or trusts.
	✓			
10. We have put in place arrangements for the effective IT and data management in accordance with proper practices during the year under review.	✓			has made suitable arrangements for its IT and data management and has complied with proper practices in doing so.

\*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:

29/04/2026

and recorded as minute reference:

C115/26(ii)(3)

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

Chair

Clerk

www.farnham.gov.uk

## Section 2 – Accounting Statements 2025/26 for

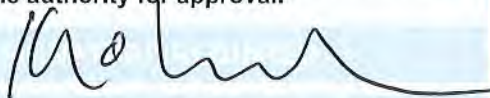
Farnham Town Council

	Year ending		Notes and guidance
	31 March 2025 £	31 March 2026 £	
1. Balances brought forward	2,155,565	2,726,292	Total balances and reserves at the beginning of the year as recorded in the financial records. Value <b>must</b> agree to Box 7 of previous year.
2. (+) Precept or Rates and Levies	1,424,818	1,535,300	Total amount of precept (or for IDBs rates and levies) received or receivable in the year. Exclude any grants received.
3. (+) Total other receipts	971,590	1,737,004	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	702,653	742,136	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	1,123,028	1,543,099	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	2,726,292	3,713,361	Total balances and reserves at the end of the year. <b>must</b> equal (1+2+3) - (4+5+6).
8. Total value of cash and short term investments	2,759,551	3,770,505	The sum of all current and deposit bank accounts, cash holdings and short term investments held as at 31 March – <b>To agree with bank reconciliation.</b>
9. Total fixed assets plus long term investments and assets	2,875,930	2,992,247	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.



Date

29/04/2026

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

29/04/2026

as recorded in minute reference:

C115/26(ii)(8)

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







**2025-26 Audit**

**Section 2 –**

**Form showing dates for the provision for the exercise of public rights**





## **2025-26 Audit**

### **Section 3 –**

**Copy of Bank and investment Reconciliation with bank statements attached as income & expenditure exceed £2million**

- i) HSBC current account**
- ii) Mayor's charity account**
- iii) Boom community bank**
- iv) Nationwide**
- v) CCLA**
- vi) Cambridge & Counties**
- vii) HSBC MM Investment 00828203, 21228870, 61228889**
- viii) Confirmation of Petty Cash balance**

## Farnham Town Council

### Bank - Cash and Investment Reconciliation as at 31 March 2026

		<u>Account Description</u>	<u>Balance</u>
<b><u>Bank Statement Balances</u></b>			
1	31/03/2026	Current Account - 31141023	112,542.10
8	31/03/2026	Petty Cash	696.57
10	31/03/2026	HSBC Commercial card	0.00
11	31/03/2026	Mayor's Charity Account	3,548.87
13	31/03/2026	Projects Cashbox	0.00
16	31/03/2026	Cambridge & Counties	271,450.98
18	31/03/2026	Petty cash float	2,607.00
			<b>390,845.52</b>
<b><u>Other Cash &amp; Bank Balances</u></b>			
		Boom Community Bank	15,000.00
		CCLA Investment 0681180001PC	2,200,000.00
		MM Investment 00828203	500,000.00
		MM Investment 21228870	300,000.00
		MMK Investment 61228889	250,000.00
		Nationwide 90130536	116,244.62
			<b>3,381,244.62</b>
			<b>3,772,090.14</b>
<b><u>Unpresented Payments</u></b>			
1	23/03/2026	200781	385.00
11	26/03/2026	100018	1,200.00
			<b>1,585.00</b>
			<b>3,770,505.14</b>
<b><u>Receipts not on Bank Statement</u></b>			
0	31/03/2026	All Receipts Cleared	0.00
			<b>0.00</b>
			<b>3,770,505.14</b>
<b><u>Closing Balance</u></b>			
<b><u>All Cash &amp; Bank Accounts</u></b>			
1		Current Bank A/c 31141023	112,157.10
2		MM Investment 10245828 Use 231	0.00
3		MM Investment 10613371	0.00
4		MM Investment 20631256	0.00
5		MM Investment 90678864 Use 230	0.00
6		MM Investment 90610453	0.00
7		MM Investment 30599204	0.00
8		Petty Cash	696.57
9		Depot Petty Cash	0.00
10		HSBC Commercial Card	0.00
11		Mayor's Charity A/C 51735365	2,348.87
12		Mayor's Charity Petty Cash	0.00
13		Projects Cashbox	0.00
14		MM Investment 20687928	0.00
15		MM Call 90700304	0.00
16		Cambridge & Counties 15003671	271,450.98

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**Farnham Town Council**

**Bank - Cash and Investment Reconciliation as at 31 March 2026**

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	<u>Account Description</u>	<u>Balance</u>
18	Petty cash float	2,607.00
	Other Cash & Bank Balances	<u>3,381,244.62</u>
	<b>Total Cash &amp; Bank Balances</b>	<b><u>3,770,505.14</u></b>

**1 March to 31 March 2026**

Your Statement

**Account Name**  
 Farnham Town Council Farnham in Bloom

**Sortcode Account Number Sheet Number**  
 40-21-05 31141023 8

**Your BUSINESS CURRENT ACCOUNT details**

Date	Payment type and details	Paid out	Paid in	Balance
	<b>BALANCE BROUGHT FORWARD</b>			126,454.55
	BP TWO SEE CREATIVE 50047EP017IQ	40.00		
	BP KAROO 80097EP00VNK	900.00		
	BP CITY DRESSING 70347EP000AY	1,895.98		
	BP HELEN ARKELL 46117EP0194	105.00		
	BP ORIGIN 21077EP004D2	309.61		
	BP SELDRAM 12837EP005JJ	33.10		
	BP EDGE 38077EP01S0S	1,185.60		
	BP SUE KEOGH 19387EP01JRS	495.00		
	BP BE FURNITURE LTD 82827EP01JXG	330.00		
	BP STAG 74767EP005WVS	60.00		
	BP ELY J 48317EP00SZB	38.58		
	BP ST ANDREWS 46797EP010KV	840.00		
	BP PERSONNEL SEL 29357EP0040A	368.10		
	BP BRODIE MAULUKA 50507EP014RK	350.00		119,502.58
30 Mar 26	CR HAMP03 MEMORIAL PE HAMPSHIRE MEMORIAL		400.00	
	DD FOCUS GROUP FIRST PAYMENT	315.71		
	CR SQUARE T3935S582N0MSP9		48.60	119,635.47
31 Mar 26	CR SUPP PYMT 31MAR SURREY CHOICES LTD		126.00	
	CR 1161902495 CURCHOD & CO LLP		95.00	
	DD DIRECT DEBIT ENERGY ALTON CIO	7,319.37		
	CR INV24056 ENER01		5.00	112,542.10
31 Mar 26	<b>BALANCE CARRIED FORWARD</b>			112,542.10



Contact tel 03457 60 60 60  
 see reverse for call times  
 Text phone 03457 125 563  
 used by deaf or speech impaired customers  
[www.hsbc.co.uk](http://www.hsbc.co.uk)

## Your Statement

Farnham Town Council  
 Town Clerk  
 Farnham Town Council  
 Town Council Offices  
 South Street  
 Farnham, Surrey  
 GU9 7RN



### Account Summary

Opening Balance	3,548.87
Payments In	0.00
Payments Out	0.00
Closing Balance	3,548.87

**18 March to 17 April 2026**

**International Bank Account Number**  
 GB09HBUK40210551735365

**Branch Identifier Code**  
 HBUKGB4112U

**Account Name**  
 Mayor of Farnham Charity Appeal Account

**Sortcode**      **Account Number**      **Sheet Number**  
 40-21-05      51735365      175

### Your BUSINESS CURRENT ACCOUNT details

Date	Payment type and details	Paid out	Paid in	Balance
17 Mar 26	BALANCE BROUGHT FORWARD			3,548.87
17 Apr 26	BALANCE CARRIED FORWARD			3,548.87

### Information about the Financial Services Compensation Scheme

Most deposits made by HSBC Business customers are eligible for protection under the Financial Services Compensation Scheme (FSCS). For further information about the compensation provided by the FSCS, refer to the FSCS website at [fscs.org.uk](http://fscs.org.uk), call into your nearest branch or call your telephone banking service. Further details can be found on the FSCS Information Sheet and Exclusions List which is available on our website ([hsbc.co.uk/fscs/](http://hsbc.co.uk/fscs/)).

Credit Interest Rates	balance	AER variable	Debit Interest Rates	balance	EAR variable
Credit interest is not applied			Debit interest		21.34%

# West Sussex and Surrey Credit Union Limited

T/A Boom Community Bank, 15 Grafton Road, Worthing, West Sussex, BN11 1QP.

Phone : 0345 521 5552  
Web : [www.boomcb.org.uk](http://www.boomcb.org.uk)  
Email : [info@boomcb.org.uk](mailto:info@boomcb.org.uk)

## Private & Confidential

Farnham Town Council  
Farnham Town Hall  
South Street  
Farnham  
Surrey  
GU9 7RN

## Member Statement

Period 09/04/2025 to 09/04/2026

Member Number	19393
Date of Issue	09/04/2026
Page Number	Page 1 of 1

Account Name							Opening Balance	
Corporate Account							£15,000.00	
Date	Source	Payee	Debit Amount	Credit Amount	Interest Amount	Transaction Total	Balance	
Closing Balance							£15,000.00	

This deposit is eligible for protection from the Financial Services Compensation Scheme (FSCS).  
For further information about the compensation provided by the FSCS, refer to the FSCS website at [www.FSCS.org.uk](http://www.FSCS.org.uk)

West Sussex and Surrey Credit Union Limited is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. FRN:475226

**Summary for 31 Mar 2025 - 31 Mar 2026**

Start Balance	112,304.57
Total In	3,940.05
Total Out	0.00
End Balance	116,244.62

Private & Confidential  
 Attn of Iain Lynch  
 Farnham Town Council  
 Council Offices  
 South Street  
 Farnham  
 United Kingdom  
 GU9 7RN



Client Name Farnham Town Council  
 Account Type Business 95 Day Saver issue 11 - Annual

Account Number 90130538  
 Statement Number 12  
 Currency Sterling  
 Interest Rate as at 31 Mar 2026 3.25%

Date	Description	Details	Payments	Receipts	Balance
31 Mar 2025	Start Balance				112,304.57
31 Mar 2026	Interest Credited	For the period 01 Apr 2025 to 31 Mar 2026		3,940.05	116,244.62
31 Mar 2026	End Balance				116,244.62

The deposits in this account are eligible for protection under the Financial Services Compensation Scheme (FSCS)  
 Please find enclosed a copy of the FSCS Information Sheet and Exclusion List which provides information about the Financial Services  
 Compensation Scheme and the protection that it provides.

Interest paid during the period 1 April 2025 to 31 March 2026 £ 3,940.05

If you have a Notice or Instant Access account, you can pay in as often as you like. Just check your terms and conditions to find out the minimum payment and maximum balance for your account type. You can find out how to make a payment on the back of this statement.

## Statement of Account

Mr Iain C Lynch  
Farnham Town Council  
Council Offices  
South Street  
Farnham  
Surrey  
GU9 7RN

5 April 2026

Account name: **FARNHAM TOWN COUNCIL-Farnham Town Council**  
Account number: **PS3077526-001**  
Statement period: **28/02/2026 to 31/03/2026**

### Account summary

Total valuation as at 31 March 2026 **£2,200,000.00**  
Total valuation as at last statement at 28 February 2026 **£2,200,000.00**

### Holdings as at 31 March 2026

Fund name	Unit/share holdings	Price per unit/share	Value
<b>Public Sector Deposit Fund SC4 - Public Sector</b> GB00B3LDFH01	2,200,000.0000	£1.00	£2,200,000.00

**Total value**

**£2,200,000.00**

The average Fund yield for this period was 3.74% p.a.

Income for the period is as follows:

Month	Date paid	Fund name	Method	Amount (£)	Destination
Mar 2026	02/04/2026	Public Sector Deposit Fund SC4 - Public Sector	Paid to Nominated Bank Details	£6,995.35	

Correspondence address: PO Box 12892, Dunmow, Essex CM6 9DL

[clientservices@ccla.co.uk](mailto:clientservices@ccla.co.uk)

Freephone 0800 022 3505

[www.ccla.co.uk](http://www.ccla.co.uk)

Fund documentation is available at [www.ccla.co.uk/investments](http://www.ccla.co.uk/investments), or may be requested from our Client Services team. Telephone calls are recorded. CCLA Investment Management Limited (registered in England & Wales, No. 2183088) is authorised and regulated by the Financial Conduct Authority. Registered address: One Angel Lane, London EC4R 3AB.

**Strictly Private & Confidential**

Mr I C Lynch  
 Farnham Town Council  
 Council Offices  
 South Street  
 Farnham  
 Surrey  
 GU9 7RN

**Statement of Account**

**Account name:** Farnham Town Council  
**Account number:** 15003671  
**Sort code:** 60-95-86  
**Product Description:** 60 Day Business Notice Account - Issue 4 Monthly  
**FSCS Eligibility:** Non-eligible  
**Sheet Number:** T 1  
**Statement Period:** 01/01/2026 to 31/03/2026

Date	Description	Debits £	Credits £	Balance £
01/01/2026	Brought forward			269,479.37 Cr
31/01/2026	Interest credited gross 15003671		677.46	270,156.83 Cr
28/02/2026	Interest credited gross 15003671		613.44	270,770.27 Cr
31/03/2026	Interest credited gross 15003671		680.71	271,450.98 Cr

**Interest Rate Summary During Statement Period**

From	To	Interest Rate
1st January 2026	31st March 2026	2.96 %

Message Board



**What's this letter about?**

To let you know the balance on your Fixed Term Deposit.

**Do you need to do anything?**

No, this document is for your information only.



60724 000533 0001 E 666999  
Farnham Town Council  
Town Clerk  
Farnham Town Council  
Town Council Offices  
South Street  
Farnham, Surrey  
GU9 7RN



Reference: MMCTBL01

Account number: 40029021228870

2 April 2026

## Fixed Term Deposit Certificate of Balance

Dear Sir / Madam

We certify that the balance of the Fixed Term Deposit(s) held at the close of business on 31 March 2026 was £1,050,000.00 (one million, and fifty thousand pounds).

Customer number: 1001096509

Customer name: Farnham Town Council

Amount(£)	Account number /Deal number	Rate % Per Annum
500,000.00	40029000828203 38	3.1
300,000.00	40029021228870 1	2.64
250,000.00	40029061228889 2	3.75

This reply is given solely for the purpose of your audit without any responsibility to you on the part of the Bank, its employees or agents, but it's not to relieve you from any other enquiry or from the performance of any other duty.

**HSBC UK Bank plc.** Registered in England and Wales (company number: 9928412). Registered Office: 1 Centenary Square, Birmingham, B1 1HQ. Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority (Financial Services Register number: 765112).

7

	I	J	K	L	M	N
54	31.3.26	Overflow		29.1.26	Main tin	loose
55						
56	£50			£50		
57	£20	620	✓	£20	140	✓
58	£10	540	✓	£10	350	✓
59	£5	280	✓	£5	✓100	
60	£2			£2	✓12	✓
61	£1	40	✓	£1	✓60	13
62	50p	20	✓	50p	✓10	1
63	20p			20p		7
64	10p	5	✓	10p		0.4
65	5p			5p		3.15
66	2p <i>tip</i>	1	✓	2p		
67	1p	1	✓	1p		0.02
68	old notes	100				
69	to bank	1000				
70	<b>Total</b>	<b>2607</b>		<b>Total</b>	<b>672</b>	<b>24.57</b>
71	<b>Main tin</b>	<b>696.57</b>				
72	<b>Total both tins</b>	<b>3303.57</b>		<b>Total</b>	<b>696.57</b>	

*M. L. L.*  
*9/4/26*

*C. L. L.*  
*9/4/26*



## **2025-26 Audit**

### **Section 4 –**

**Explanation of variances for boxes 2 to 6 and 9 & 10 on the Accounting Statements 2025-26**

## Explanation of variances

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

County area (local councils and **Surrey**)

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, <b>DO NOT OVERWRITE THESE BOXES</b>	Explanation from smaller authority ( <b>must include narrative and supporting figures</b> )
1 Balances Brought Forward	2,155,565	2,726,292				Explanation of % variance from PY opening balance not required - Balance brought forward agrees	
2 Precept or Rates and Levies	1,424,818	1,535,300	110,482	7.75%	YES		Key elements included Increase in grants provision £25k, new contribution to management of Farnham Museum £10k, inflation, cost of living increase for employees £30k, new website £20k, preparation for Local Government reorganisation and asset transfers £20k, new Christmas lights scheme £25k).
3 Total Other Receipts	971,590	1,737,004	765,414	78.78%	YES		Mainly due to additional CIL £743,145. For full breakdown see attached
4 Staff Costs	702,653	742,136	39,483	5.62%	NO		
5 Loan Interest/Capital Repayment	0	0	0	0.00%	NO		
6 All Other Payments	1,123,028	1,543,099	420,071	37.41%	YES		Costs identified in Box 2 (£100K) including Local Government Reorganisation and community asset transfers) plus the new Gostrey playground (£100k) and preparations for the new Gostrey Amenity Building, additional temporary staff for grounds and special projects (new CRM). For full breakdown see attached
7 Balances Carried Forward	2,726,292	3,713,361				VARIANCE EXPLANATION NOT REQUIRED	
8 Total Cash and Short Term Investments	2,759,551	3,770,505				VARIANCE EXPLANATION NOT REQUIRED	
9 Total Fixed Assets plus Other Long Term Investments and	2,875,930	2,992,247	116,317	4.04%	YES		See attached
10 Total Borrowings			0	0.00%	NO		

Rounding errors of up to £2 are tolerable

Variances of £200 or less are tolerable

**Box 3**    **Other receipts**

2025    971,590                      2026    1,737,004

Difference            765414  
 % Change             79%    Yes explain

	2025 £	2026 £	Difference	Explanation (Ensure each explanation is quantified)
	443,689.00	1,186,834.00	<b>743,145.00</b>	<i>CIL received in year</i>
	90,052.00		- <b>90,052.00</b>	S106 rec'd in 24-25
	12,500.00	45,500.00	<b>33,000.00</b>	Increased grant income
	93,516.00	119,765.00	<b>26,249.00</b>	Increased cemetery income
		14,000.00	<b>14,000.00</b>	Donation re Victoria Garden
	50,454.00	72,118.00	<b>21,664.00</b>	Increase in bookings income from events
	-	32,351.00	<b>32,351.00</b>	New services provided to Surrey County Council
	133,604.00	117,353.00	- <b>16,251.00</b>	Reduction in investment income
			-	
			-	
			-	
<b>Total</b>	<b>823,815.00</b>	<b>1,587,921.00</b>	<b>764,106.00</b>	
			<b>1,308.00</b>	Other net differences
			<b>765,414.00</b>	

**Box 6 All other payments**

2025 1,123,028      2026 1,543,099

Difference 420,071  
 % Change 37% Yes explain

2025 £	2026 £	Difference	Explanation (Ensure each explanation is quantified)	Is this purchase an asset and reflected in Box 9
70,557	100,585	<b>30,028</b>	New Christmas lights - rented	partially
72,361	121,175	<b>48,814</b>	New playground costs	yes
14,656	72,846	<b>58,190</b>	Additional contracted services costs re new playground	no
117,396	169,216	<b>51,820</b>	Additional contract staff for outside workforce and other contracts	no
	15,138	<b>15,138</b>	Work on Victoria Garden (paid out of donated income)	no
	11,791	<b>11,791</b>	New audio system - Council chamber	yes
	17,060	<b>17,060</b>	Local government reorg contract staff	no
1,358	7,751	<b>6,393</b>	New IT equipment	yes
17,426	65,639	<b>48,213</b>	Arboricultural & horticultural costs increase	no
93,461	104,905	<b>11,444</b>	Increases in rent, rates & energy costs	no
13,960	25,582	<b>11,622</b>	Increases in waste disposal costs	no
11,105	26,806	<b>15,701</b>	Increase in CCTV & alarm costs	no
4,000	40,000	<b>36,000</b>	Environmental/community initiative costs	no
79,882	107,547	<b>27,665</b>	Increase in grants given	no
46,944	51,221	<b>4,277</b>	Increase in IT support, website & software costs	no
9,166	18,891	<b>9,725</b>	New vehicles & machinery & street furniture	yes
		-		
<b>Total</b>	<b>552,272</b>	<b>956,153</b>	<b>403,881</b>	
	4%	<b>16,190</b>	Other net changes	
		<b>420,071</b>	Overall difference	

## Fixed Assets 2026

	<u>Bfwd</u>	<u>Additions</u>	<u>Disposals</u>	<u>Cfwd</u>
Council Offices	270,568.00	-	-	270,568.00
Other Public Buildings	422,718.51	-	-	422,718.51
Wrecclsham Community Centre	206,110.48	-	-	206,110.48
Depot	146,830.08	-	-	146,830.08
	-	-	-	-
Vehicles	134,882.80	13,395.00	11,914.00	136,363.80
Audio/visual	42,540.60	11,791.00	-	54,331.60
Christmas decorations	113,285.24	24,781.00	113,285.24	24,781.00
Civic insignia	14,814.00	-	-	14,814.00
Grounds equipment	152,719.83	6,130.00	-	158,849.83
Computers, telephones & office equip	96,399.94	7,750.00	11,226.00	92,923.94
Other	47,141.50	-	-	47,141.50
	-	-	-	-
Bus shelters	70,598.17	-	-	70,598.17
CCTV	104,845.00	-	-	104,845.00
Boards & Signs	15,277.00	-	-	15,277.00
Street furniture ( Litter bins, lampposts, seats)	23,794.92	3,520.00	-	27,314.92
Cemeteries	679,634.08	-	-	679,634.08
Allotment & Gardens	83,770.00	193,535.00	8,160.00	269,145.00
CCLA Property fund investment	250,000.00	-	-	250,000.00

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	2,875,930.15	260,902.00	144,585.24	2,992,246.91
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Net change		116,316.76		
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### Significant additions

Gostrey Playground	193,535.00	Partially paid for in 24-25 but not complete so only added to asset register this year
Transit	13,395.00	
New Christmas decorations	24,781.00	(New decorations mostly now hired - hence small increase but large disposal value)
New audio system for Council Chamber	11,791.00	
	<u>243,502.00</u>	



## **2025-26 Audit**

### **Section 5 –**

#### **Reconciliation between Section 2, Boxes 7 and 8**

## Farnham Town Council

### 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>
	<b>Total Reserves</b>	<b><u>2,726,291.03</u></b>	<b><u>3,713,361.39</u></b>
100	Debtors	47,576.60	25,956.40
101	Allotment Debtors	451.35	468.54
105	VAT Control A/c	42,230.24	49,368.41
110	Prepayments	5,123.00	13,321.00
120	Sundry debtors	12,913.17	10,078.00
	<b>Less Total Debtors</b>	<b><u>108,294.36</u></b>	<b><u>99,192.35</u></b>
500	Creditors	31,845.94	64,467.20
501	Commercial Card Balance	9,218.51	3,918.65
506	Credit balance on SL	252.54	252.54
510	Accruals	44,758.96	53,616.75
525	PAYE/NI Creditor	11,096.59	13,440.62
560	Receipts In Advance	41,983.06	17,266.58
570	Mayor's Charity 24-25	2,378.42	2,378.42
577	Mayors Charity 23-24	19.87	19.87
578	Mayors Charity 2025-26	0.00	975.47
	<b>Plus Total Creditors</b>	<b><u>141,553.89</u></b>	<b><u>156,336.10</u></b>
	<b>Equals Total Cash and Bank Accounts</b>	<b><u>2,759,550.56</u></b>	<b><u>3,770,505.14</u></b>
200	Current Bank A/c 31141023	63,919.33	112,157.10
208	MM Investment 00828203	400,000.00	500,000.00
229	MM Investment 91135104	400,000.00	0.00
236	CCLA Investment 0681180001PC	1,400,000.00	2,200,000.00
241	Cambridge & Counties 15003671	262,881.03	271,450.98
242	Boom Community Bank	15,000.00	15,000.00
249	Nationwide 90130536	112,304.57	116,244.62
250	Petty Cash	2,026.76	696.57
254	MM Investment 71069497	100,000.00	0.00
255	MM Investment 21228870	0.00	300,000.00
256	MMK Investment 61228889	0.00	250,000.00
258	Petty cash float	0.00	2,607.00
270	Mayor's Charity A/C 51735365	3,418.87	2,348.87
	<b>Total Cash and Bank Accounts</b>	<b><u>2,759,550.56</u></b>	<b><u>3,770,505.14</u></b>



**2025-26 Audit**

**Section 6 –**

**Except for Matter 2024-25.**

**NONE**



## **2025-26 Audit**

### **Section 7 –**

**Intermediate Audit additional information – copies of year end bank and investment statements**

**Statements included in section 3 above**



## **2025-26 Audit**

### **Section 7 –**

**Intermediate Audit additional information – Internal auditor’s report and minutes showing when Internal Auditor’s reports were considered (January 25 & April 2025)**

Iain Lynch  
Town Clerk

Farnham Town Council

14 April 2026

Dear Iain

**Farnham Town Council - Interim Audit 25-26**

The internal audit for the 25-26 financial year is now complete. I am pleased to report that I have signed off the internal audit section of the Annual Governance and Accountability Return (AGAR) for with no comments.

As stated in the engagement letter, the scope of our work is limited to completing the audit testing and enquiries we deem necessary to complete Section 4 of the Annual Report for Local Councils in England. We do not provide assurance over or accept responsibility for areas of work not included in this scope, unless specifically agreed with the Council during the financial year.

In providing internal audit services we are not conducting a financial statement audit in accordance with standards and guidelines issued by the Audit Practices Board and our procedures are not designed to provide assurance over the reliability and quality of your financial statements and management information – that is the job of external audit.

We are required by the Annual Internal Audit Report included in the Annual Governance and Accountability Return (AGAR) to review controls in place at the Council against predefined control assertions. These control assertions are set out below, together with the results of my internal audit work for 25-26. Recommendations are set out at Appendix A. Areas not tested because they are not relevant to this Council are listed at Appendix B.

The audit was carried out in three stages. The interim audits were carried out on 8 January and 13 March, this concentrated on in year financial transactions and governance controls. The final audit was carried out on 13 April and concentrated on the statement of accounts and balance sheet.

☎ 07958 990310

✉ [mike@aprilskies.co.uk](mailto:mike@aprilskies.co.uk)

Company Registration Number 14174016  
6 Uplands Road. Farnham GU9 8BP

### **A: Books of Account**

#### **First Interim Audit**

The Council uses the RBS Omega accounting system to report and record the financial transactions of the Council. This is a well-established accounting system specifically designed to be used in the town and parish council sector. A review of the cashbook shows that all data fields are being entered and supporting documentation is easily located, from references recorded on the general ledger. Accounting records and all reconciliations tested were up to date at the time of the audit.

I have tested the brought forward balances in the accounting system against the audited prior year annual return. These agreed:

Opening balance sheet 25-26 (on accounting system) - £2,726,291

Box 7 Audited 24-25 accounts - £2,726,292

(£1 rounding adjustment was necessary to make accounting statements balance)

I confirmed that the Council's VAT returns were up to date, with the most recent claim for the 3 months to 30 September 2025 submitted to HMRC. I checked that balances in the return could be agreed to schedules produced by the accounting system. VAT reclaimed was £49,724. This has been checked in to the Council's bank account, received on 16 October.

The Council received a clear audit certificate from the external auditors in 24-25, so there is nothing to take forward to the current accounting year.

#### **Final Audit**

The accounting statements have been agreed back to year end reports produced from the Rialtas accounting system. (Detailed AGAR / Balance Sheet / Cash and Investment Reconciliation). Comparatives reported in the financial statements have been agreed back to the audited 24-25 accounts, as published on the Council website. Arithmetic in the financial statements has been checked. A rounding error was identified, the accountant confirmed this will be corrected before the AGAR is finalised.

☎ 07958 990310

✉ [mike@aprilskies.co.uk](mailto:mike@aprilskies.co.uk)

Company Registration Number 14174016  
6 Uplands Road. Farnham GU9 8BP

### **B: Financial Regulations & Payments** **First Interim Audit**

#### **Governance**

Financial Regulations and Standing Orders are due to be reviewed in 2026. New Financial Regulations have been drafted, these are due for approval before the end of the financial year, with the review of Standing Orders due in the new financial year. I will the Financial Regulations at my year end audit.

#### **Expenditure and payments to suppliers**

The Council has a clear procedure for making payments to third parties, and has made no change to this process in 25-26. A payment run is processed each Wednesday by the Council's Bookkeeper, who collates invoices due for payment. These invoices are matched to purchase orders that have been authorised by the relevant budget holder, and countersigned by the Town Clerk.

The invoice is entered on to the purchase ledger by the Bookkeeper, and is marked as ready for payment. A BACS run is produced by the accounting system, this is checked and loaded into the Council's bank account, where payments sit ready for authorisation by the appointed councillors.

Any urgent payments required are set up by the Bookkeeper on receipt of properly authorised payment instructions. These are set up at bank by the bookkeeper, and authorised by 2 bank signatory councillors at bank. At each meeting of the Finance Working Group, details of all payments made are made available for inspection by councillors.

This is a robust system, compliant with Financial Regulations and with evidence of separation of duties within the payment process.

I selected a sample of expenditure transactions from the cashbook for the first 9 months of the financial year , and I was able to confirm for all transactions that:

- Transactions could be agreed back to a VAT invoice
- Purchase order was on file, authorised by the Town Clerk / budget holder For payments above £10K a councillor signature was also viewed
- VAT accounting correct
- Expenditure appropriate for the Council
- For internal bank transfers recorded on the cash book, I checked debits and credits on relevant bank statements.

I checked that the contracts for Christmas lights, playground works and the new website were advertised on the Find A Tender / Contracts Finder portals, as required by Financial Regulations.

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Company Registration Number 14174016  
6 Uplands Road. Farnham GU9 8BP

### **Second Interim Audit**

I carried out further testing of expenditure transactions from cashbooks for months 10-11, and repeated tests set out above. All testing was successful, and I am satisfied that the Council continues to follow financial regulations in the way it makes payments to suppliers.

### **Final Audit**

Non pay expenditure per box 6 to the accounts amounted to £ 1,543,098, up from £1,123,028 in 24-25.

I tested 2 further payments from month 12 and confirmed the following:

- VAT correctly accounted for
- Appropriately authorised purchase order in place
- Expenditure appropriate for this council
- Invoice authorised by 2 councillors, checked to email confirmation
- Payment per cash book agreed to invoice

Accruals at year end were £53K. I reviewed the accruals schedule, all postings appeared reasonable. The largest items were:

- £14k Waverley BC – utilities recharge
- £16K – Due to Waverley re: Christmas parking

## **C: Risk Management & Insurance**

### **First Interim Audit**

The Council is insured by Zurich Municipal, on a standard local authority policy. I reviewed the Council's insurance schedule. The policy was in date, with an expiry date of 29 April 2026. 8 buildings are insured, with an insurance value of £4.92 million. Other assets insured include Bandstand at £94K, bus stops at £119K and CCTV at £123K.

Fidelity insurance cover is set at £5million. This is sufficient given cash holdings at the Council.

The Clerk confirmed that Council IT data is backed up nightly on to servers at the IT contractor. It is recommended that a test restore of backed up data is completed before year end, this should be repeated at least annually.

☎ 07958 990310

✉ [mike@aprilskies.co.uk](mailto:mike@aprilskies.co.uk)

Company Registration Number 14174016  
6 Uplands Road. Farnham GU9 8BP

### **Second Interim Audit**

The Council has completed its risk management review for 25-26. This was reported to the Full Council meeting in January 2026 (agenda item 9). There are several aspects to this work, including a financial and security review, and a general risk assessment, carried out by an external contractor (Worknest). A number of items for follow up have been identified by the Worknest review, these are being taken forward by Council officers, and responses will be reported to the Strategy and Resources Working Group. I am satisfied that the Council has met its obligations regarding risk management, as set out in the Annual Governance Statement.

### **D. Budget, Precept & Reserves**

#### **First and Second Interim Audits**

The Council has finalised the budget and precept setting process for 26-27. Working Groups have examined budget options, and the draft budget was considered by the Strategy and Resources Working Group. The budget was approved at the Full Council meeting in December 2025 (Minute C74/25). Gross expenditure of £2,205,030, was approved, this is supported by a detailed income and expenditure budget prepared using the Rialtas accounting system. Precept was approved at the January meeting of Full Council. A precept of £1,703,930 was set for 2026-27 (Agenda item 8.1) . The Council has met precepting authority deadlines.

Budget monitoring continues to occur on a quarterly basis, as required by financial regulations. The September reports were reported to the October 20<sup>th</sup> Strategy and Resources meeting, and to the subsequent Full Council meeting, so financial reporting is timely. I reviewed the budget monitoring report. At the end of period 5 expenditure amounted to around 49% of budget, and income was ahead of budget.

The following reports are produced each quarter:

- Bank reconciliation
- Income and expenditure report
- Debtors outstanding
- Statement of investments

Agenda papers, and minutes demonstrate proper review of budget monitoring report by councillors.

☎ 07958 990310

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### **Final Audit**

Reserves at 31 March 2026 were £3,713,361 (24-25 £2,726,292).

General reserves at year end were £596K . This represents 38% of precept, which is at the lower mid-point of recommended levels set out in the NALC Practitioners' Guide. General reserves are held at an appropriate level.

I reviewed earmarked reserves. The largest earmarked reserves are:

- Community Infrastructure Levy Reserves - £1.85m. These are held until appropriate uses are found for these ringfenced monies. £1.1m is set aside for the new Gostrey Meadow building
- £219K - Public Conveniences.
- £100K – Town Hall Refurbishment

Other reserves are in place to support assets, expenditure contingencies and projects. I understand that the Council is due to complete the annual review of earmarked reserves at the April Full Council.

I am satisfied that reserves are well managed and appropriate for this Council.

### **E: Income**

#### **First Interim Audit**

I selected a sample of income transactions from the cashbook for the first 8 months of the financial year. For all transactions sampled, I was able to confirm the following:

- Cashbook transaction agreed to schedule of deposits received
- Cashbook transaction checked to receipt at bank
- Highest value item agreed to invoice
- Invoice agreed to relevant schedule of fees and charges or other supporting documentation
- Events invoices agreed to relevant income sources
- VAT accounted for correctly

My sample covered burial fees, food festival , lease income and allotment income. I also tested 1 CIL receipt from WBC. I am satisfied that the Council is billing accurately and collecting income across all income streams tested.

I have reviewed the Council's debtors ledger. No issues were identified on the sundry debts sales ledger, with only £123 worth of debt more than 60 days old.

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Allotment income is now also recorded on the sales ledger. At the time of my audit, there was £3856 of allotment debt more than 60 days old. This should be reviewed and steps put in place to collect overdue fees. I note this has been considered by the Environment Working Group (meeting 27 November)

### **Second Interim Audit**

Further testing of income was completed, transactions selected from months 10 and 11 cashbooks. For all transactions tested, I was able to agree income per cashbook to bank, and to supporting documentation:

- Purchase order from Surrey CC for recharge
- Cemetery invoices, checked to approved cemetery fees schedule
- Allotment income, checked to approved fees and to evidence of rental agreement

### **Final Audit**

Precept per box 2 to the accounts was £1,535,300 (24-25 £1,424,818). This has been agreed to third party documentation provided by central government.

Income per box 3 to the accounts was £1,737,004 (24-25 £971,590). The increase is due to CIL receipts in 25-26.

I reviewed two further income transactions, relating to the Literary Festival.

- Ticket Sales booked to the general ledger were agreed to reports extracted from the Eventbrite system
- Book / bar sales were agreed to reports extracted from the square sales system, which is used to record sales from customers.

I am satisfied that income booked to the ledger can be agreed to supporting sales records.

## **E. Petty Cash**

### **First Interim Audit**

I confirmed that the petty cash has been checked. The Bookkeeper counted petty cash on 31.10.25, cash counted was reconciled to the accounting system and the petty cash log. The count has been reviewed and signed off by the Clerk, petty cash stood at £2,216 at the time of the count. The petty cash balance is too high, and a significant amount should be paid into bank.

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### **Final Audit**

Petty cash balances were as follows:

- Main Account - £ 697. Account has been reconciled to supporting transactions, and the ledger brought up to date. There is evidence of a year end petty cash count, signed off by the Bookkeeper and a supervising officer
- Petty Cash float - £2607. Account has been reconciled to supporting transactions, and the ledger brought up to date. There is evidence of a year-end petty cash count, signed off by the Bookkeeper, this should also be signed off as accurate by a second officer.

### **F. Payroll**

#### **Interim and Final Audits**

Staff costs per box 4 to the accounts were £742,136 (24-25 £702,653).

The Council continues to use Moorepay software to process payroll for the Council. Monthly payroll changes are actioned on the payroll system by the Town Clerk, before payroll is processed, in advance of payments to staff. Staff are then paid by BACS transfer. I tested month 10 payroll, paid in January 2026. The figure for net pay paid to staff is recorded in the cashbook. This has been agreed back to the payroll BACS report on Moorepay. I selected four officers from this listing and tested the following:

- net pay agreed to payslip
- gross pay on payslip agreed to annual pay review schedule, reported to HR panel. (I recalculated monthly pay based on information on payscales and hours worked)
- gross pay agreed to pay award letter,
- scale point checked to national pay award
- checked all staff have a signed contract of employment

I have two recommendations:

- I could not locate a signed contract of employment (signed by Council and employee) for all staff. It is recommended that a review is completed to ensure that all staff have an up-to-date signed contract of employment. This should be held on the officer's personnel file (electronic or hard copy)
- the Clerk's most recent annual pay award letter had not been signed by a councillor (member of HR panel or similar). This should be actioned annually, once annual pay awards have been implemented.

At the year-end audit I confirmed that box 4 on the accounting statements only contained staff salary and payroll costs, as required by regulations.

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### **H. Assets and Investments**

#### **Final Audit**

Fixed assets per box 9 to the accounts were £ 2,992,247 ( 24-25 £2,875,930).

I have agreed the balance in the accounts back to the asset register. The asset register appears complete and to record assets at cost or proxy cost, as required by regulations, with sufficient detail to locate all assets listed.

Additions of £261K have been recorded on the asset register. A schedule of additions has been provided. I tested one major addition - £193K - new play area at Gostrey Meadow.

Deletions of £144K have been processed in 25-26. Major items removed from the asset register are obsolete Christmas lights, the Council now leases these items.

One long term investment, a £250k holding with the CCLA property fund is recorded in the asset register (this is in line with accounting regulations in this sector.) I have confirmed the existence of this investment to a statement from CCLA, showing the investment value at 31.3.26.

I am satisfied fixed assets are properly accounted for.

### **I: Bank Reconciliations**

#### **First Interim Audit**

The current account is reviewed twice a week by the Bookkeeper, and transactions are matched off against the cashbook, as they are recorded in the Council's bank account. This is a strong control against fraud and error and ensures all income records are kept up to date. Formal reconciliation is compiled promptly at each month end, by the Bookkeeper, prior to review by the Accountant.

This system is compliant with the requirement of financial regulations. There is a good separation of duties, with the accounts maintained and reconciled by officers with no signatory powers, and reporting of balances to councillors.

I reviewed the October 2025 bank reconciliations, as these were the most recent reconciliations reviewed by Councillors at the time of my audit

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# April Skies

## Accounting

At 30 October 2025, the Council held the following bank and investment balances. Accounts have been reconciled by the Finance Officer, and I have checked all balances on the reconciliations back to bank statements and to the accounting system bank reconciliation reports.

Account	Balance at 30 October 2025	Reconciliation review by Internal Audit
Current – agreed	1,906,299	Reconciliation checked and agreed to accounting system and bank. Reconciliation signed by 2 councillors
Money Maker investment 1	400,000	Checked to contract note - maturity date December 25
CCLA investment Account	1,700,000	Checked to December 25 statement
Cambridge and Counties Deposit Account- agreed	268,078	Reconciliation checked and agreed to accounting system and bank. Reconciliation signed by 2 councillors
Nationwide – agreed	112,304	Checked to March 31 2025 statement , annual statements issued by bank
Mayors Charity Account – agreed	3423	Reconciliation checked and agreed to accounting system and bank. Reconciliation signed by 2 councillors
BOOM	15000	To be checked at year end - annual statement
Money Maker investment 2	200000	Checked to contract note - matures February 2026.

(accounts in green are checked each month by councillors, other accounts are checked annually).

It is recommended that the CCLA balance is added to the monthly bank account check. Monthly statements are issued by the bank and this balance is material to the Council.

Timeliness of review by councillors has improved in 25-26, with reconciliations up to date to the end of October at the time of my interim audit (first week of January.) This should be maintained going forward, with the aim of completing councillor review of all bank reconciliations within 30 days of each month end.

The Council has an investment policy in place, as required by regulations. This was last reviewed in January 2026.

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# April Skies

## Accounting

### **Final Audit**

Borrowings per box 10 to the accounts were £nil (24-25 £ nil)

Cash per box 8 to the accounts was £3,770,506 (24-25 £2,759,551)

I reperformed the year end bank reconciliation. I agreed all balances in the bank reconciliation back to accounting system reports and to bank statements. The year end bank reconciliation was found to be accurate. My work on the year end bank reconciliation is summarised below:

Bank Account	Ledger	bank	Items not cleared through bank	Total	Audit Work Completed
current account	112157	112542	385	112157	Agreed to accounting system and bank statement. Uncleared item confirmed as cheque payment not cleared at year end
MM Account ...03	500000	500000		500000	Agreed to accounting system and bank statement
Ccla	2200000	2200000		2200000	Agreed to accounting system and bank statement
Cambridge and Counties	271451	271451		271451	Agreed to accounting system and bank statement
boom	15000	15000		15000	Agreed to accounting system and bank statement
nationwide	116245	116245		116245	Agreed to accounting system and bank statement
pettey cash	697	697		697	Agreed to accounting system and bank statement
Mm Account ...70	300000	300000		300000	Agreed to accounting system and bank statement
Mm Account ...70	250000	250000		250000	Agreed to accounting system and bank statement
Petty cash float	2607	2607		2607	Agreed to accounting system and bank statement
Mayors Charity	2349	3548.87	1200	2348.87	Agreed to accounting system and bank statement. Uncleared item confirmed as cheque payment not cleared at year end
<b>TOTAL</b>	<b>3770506</b>	<b>3772091</b>		<b>3770506</b>	

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I confirmed that councillor review of bank reconciliations has continued during 2025-26, as required by financial regulations. Months 10 and 11 have been reviewed by 2 councillors. I have reminded the Town Clerk to ensure that councillor review of month 12 is completed before the AGAR is submitted to the external auditors, as this will be checked as part of the 25-26 external audit.

### **J. Year-end accounts**

Farnham TC has produced accounts on an accruals basis, this is required as income / expenditure is above £200k. A reconciliation between Box 7-8 of the accounts has been prepared, for external audit review, and creditor and debtor listings support this reconciliation. An explanation of year-on-year variances has also been prepared and provides detailed explanations for review by external audit.

### **L: : The Authority publishes information on a free to access website/webpage up to date at the time of the internal audit in accordance with any relevant transparency code requirements**

#### **Interim Audit**

As a larger Council, with income / expenditure in excess of £200K, Farnham is required to follow the 2015 Transparency Code. This information is published on the transparency tab on the website; presentation of this information has improved now the new website is in place. I reviewed the following items at my interim audit:

- Expenditure – 25-26 data is published to the end of June. Q2 and Q3 data should now be added
- Contracts and tenders - last data is 24-25
- Grants – last data is 24-25

Transparency data needs to be updated now the implementation stage of the new website has been successful, I will check further at my year end audit.

#### **Final Audit**

FTC transparency data was not fully updated at the time of my year end audit. All required data must be reviewed before the AGAR is sent to external audit, my sample check showed some work is outstanding:

- Grants awarded needs to be updated to include all 25-26 data
- Expenditure over £500 – links not fully working.

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**M: Exercise of Public Rights - Inspection of Accounts**

Inspection periods for 24-25 AGAR were set as follows

Inspection - Key date	24-25 Actual
<b>Accounts approved at Full Council</b>	25 April
<b>Date of Announcement</b>	1 May
<b>Inspection period begins</b>	3 June
<b>Inspection period ends</b>	14 July
<b>Correct length</b>	Yes – 30 working days

I can confirm that regulations were followed and that the Council can therefore sign off that it has met control objective 4 on the annual governance statement – inspection rights.

**N: Publication requirements 24-25 AGAR**

The Council received a clear audit opinion from the external auditors for 24-25. Two minor matters were reported in the other section of the audit certificate.

The audit certificate was dated 10<sup>th</sup> September, and the Council has published the complete audited AGAR on the website, as required by regulations. The Conclusion of Audit notice was published on the Council website on 15 September, before the regulatory deadline of 30 September. The external audit certificate was reported to the October meeting of Full Council after consideration at the Strategy and Resources Working Group. I am satisfied regulatory requirements have been met in this area.

**O: The authority has complied with laws, regulations & proper practices relating to digital and data compliance.**

**Final Audit**

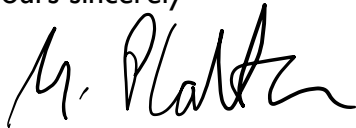
The Council has completed a review of data management practices following the addition of Assertion 10 to the Annual Governance Statement. This was approved at the Full Council meeting in March. The Council has confirmed that it is compliant with the requirements of the Practitioners’ Guide, and that it has necessary policies and data management standards in place to confirm a positive response to assertion 10 on the Annual Governance Statement.

## **P - Trusteeship**

The Council is trustee of the Farnham School of Science and Arts, also known as the Farnham South Street Trust, Charity Number 1146152. A separate company is operated on the Omega Accounting system, I therefore confirm separate books of account are maintained for the Charity. The Trust holds separate meetings, these are minuted and minutes and agenda published on the Town Council website - meeting last held on 20 March 2025. The 24-25 submission of accounts and annual return was completed on 19 December 2025, the submission included the independent examination. The Council has met its obligations in this area.

I would like to thank you, Sarah and Claire for your assistance with the audit. I look forward to working with the Council again in 2026-27.

Yours sincerely



Mike Platten CPFA

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# April Skies

## Accounting

### Appendix A

#### Points Forward – Action Plan - First Interim Audit

Matter Arising	Recommendation	Council Response
The Clerk confirmed that Council IT data is backed up nightly on to servers at the IT contractor.	It is recommended that a test restore of backed up data is completed before year end, this should be repeated at least annually.	<i>Agreed. Zenzero have been commissioned to test.</i>
For 25-26, an additional assertion has been added to the Annual Governance Statement, this covers digital and data compliance. The Council is largely compliant with the requirements of the Practitioners' Guide in this area.	For clarity, it is recommended that the Council considers compliance with paragraphs 1.47 to 1.54 on page 14 of the Practitioners' Guide at a meeting before the end of the financial year.	<i>Assertion 10 report was approved at March Council.</i>
At the time of my audit, there was £3856 of allotment debt more than 60 days old.	This should be reviewed and steps put in place to collect overdue fees. I note this has been considered by the Environment Working Group ( meeting 27 November)	<i>Petty Cash is kept at £500. In line with Financial Regulation 6.13 an amount of up to £5,000 can be kept to top up petty cash. The amount has been reduced by £1,100.</i>
Petty cash stood at £2,216 at the time of the last count.	The petty cash balance is too high, and a significant amount should be paid into bank.	
It is recommended that the CCLA balance is added to the monthly bank account check.	Monthly statements are issued by the bank and this balance is material to the Council.	<i>Agreed</i>

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# April Skies

## Accounting

<p><b>Transparency data</b> I reviewed the following items at my interim audit:</p> <ul style="list-style-type: none"> <li>- Expenditure – 25-26 data is published to the end of June. Q2 and Q3 data should now be added</li> <li>- Contracts and tenders - last data is 24-25</li> <li>- Grants – last data is 24-25</li> </ul>	<p>Transparency data needs to be updated now the implementation stage of the new website has been successful, I will check further at my next audit.</p>	<p><i>Data on Contracts, tenders and grants was updated by end of financial year (except payments over £100 which will be published in May). The Council's website team are checking other data following the change from Modern.gov to Cloudy IT systems.</i></p>
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### Points Forward – Action Plan - Second Interim Audit

Matter Arising	Recommendation	Council Response
I could not locate a signed contract of employment (signed by Council and employee) for all staff.	It is recommended that a review is completed to ensure that all staff have an up-to-date signed contract of employment. This should be held on the officer's personnel file (electronic or hard copy)	<i>Agreed. Council's HR advisors have been requested to draft new contracts for all staff to reflect latest legislative changes.</i>
The Clerk's most recent annual pay award letter had not been signed by a councillor (member of HR panel or similar).	This should be actioned annually, once annual pay awards have been implemented.	<i>Noted. Pay award letter matched HR Panel approved level.</i>

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## Appendix B

### Internal Audit Control Objectives – Marked as not covered

Control Objective	Area for Audit	Why this has not been audited
K	Exemption from limited assurance review	Council had limited assurance review in 24-5

arrangements, noting that the access was single track and that staggered school times and a robust traffic management plan would be needed.

- ii) At the Beefeater site at Bourne Mill Business Park, Guildford Road, Council maintained its objection to the proposed four-storey building, considering the bulk, scale, design and eastern gateway location to be unacceptable. Members noted that the application had since been approved by the planning authority despite the Council's objections. It was suggested post-approval engagement could be undertaken with the developer to seek design improvements, as had happened with previous developments. It was agreed that officers and relevant Members should seek dialogue where possible.
- iii) Council maintained its objection to the proposed dwelling on land near Frensham Vale, Lower Bourne, because of conflict with the Farnham Neighbourhood Plan, concerns about integration with the local area, flood risk and access.
- iv) At 81 Boundstone Road, Rowledge, Council supported the Lead Local Flood Authority's objections and sought further information about surface water management.
- v) In relation to the proposed BT Street Hub adjacent to 13 East Street, Council objected to the three metre high digital advertising unit and reaffirmed its position against digital advertising within the town centre. It was also noted that changes should not be implemented that would impact on the redevelopment of the area with the Woolmead.

Council discussed whether FTC's wider policy on digital advertising should be reviewed through the Neighbourhood Plan process. The prevailing view was that the Council should maintain its current resistance to digital signage, given the risk of setting a precedent and the potential harm to the character and appearance of the town centre and conservation areas. **It was RESOLVED unanimously that the Council maintain its objection to digital advertising in Farnham town centre and that any wider policy review be considered as part of the Neighbourhood Plan update.**

#### **C115/26 End of Year Finances 2025-26**

- i) Council considered the end of year finances for 2025-26. Cllr Murray introduced the report at Appendix H. Income was £3,272,304 against a budget of £1,946,000. The significant variance was largely due to the receipt of approximately £1m of Neighbourhood Community Infrastructure Levy (CIL) during the financial year. Members noted that part of the CIL allocation had already been committed to the Gostrey Meadow Amenity Building and that other allocations had been made for projects in year including Christmas lights and the Gostrey playground. Expenditure was £2,285,233 against a budget of £1,946,650, primarily as a result of capital spend on earmarked projects.

Council agreed this was an excellent result, and welcomed the strong overall financial position. It was noted that, excluding the exceptional CIL receipt, only £41,865 had been required from reserves, which was evidence of prudent and efficient financial management. Council discussed the proposed movement of CIL allocations suggested by the Strategy & Resources Working Group, including provision for local government reorganisation and community asset transfer costs, and the need to ensure sufficient provision for future Town Council elections and possible by-elections.

The Town Clerk advised that Christmas lights provision included scope for additions in the coming year and that officers were continuing to work with Surrey County Council and others regarding bus shelter replacement and ownership issues. Council discussed the proposed Neighbourhood CIL round agreed in principle at the previous meeting. It was noted that up to £150,000 would be made available for local community

applications initially and that the process would be less onerous than the Waverley Strategic CIL process, while still requiring appropriate criteria and rules of engagement.

ii) **End of Year Accounts**

Council received the 2025-26 outturn accounts and papers for External Audit, including detailed income and expenditure by account code, summary income and expenditure by committee, explanations of variances against budget, the balance sheet, cash and investment reconciliation, the statutory income and expenditure account and the updated asset register. The Internal Auditor's report with officer comments was considered and the recommendations were welcomed.

**It was RESOLVED unanimously that**

- 1) the report at Appendix H be adopted and the detailed income and expenditure by account code, summary income and expenditure by committee, explanation of variances against budget, balance sheet, cash and investment reconciliation and statutory income and expenditure account for 2025-26 be received;**
- 2) the 2025-26 outturn be welcomed;**
- 3) the Annual Governance Statement, Section 1 of the Annual Governance and Accountability Return, be approved;**
- 4) the Internal Auditor's report be welcomed and the recommendations agreed;**
- 5) the updated Asset Register and values be approved;**
- 6) the draft report and financial statements for 2025-26, including the general and earmarked reserves, be adopted for signature;**
- 7) the variances list for the Annual Return be agreed;**
- 8) the Annual Return and associated papers be approved for submission to the External Auditor.**

**C116/26**

**Appointments 2026-27**

- i) Council considered appointments to Working Groups, Panels, Task Groups and outside bodies for 2026-27 in accordance with Standing Orders. Members reviewed preferences and confirmed memberships for the Community & Wellbeing, Culture & Business and Environment Working Groups. Council adjourned so that Lead Members of the Working Groups could be appointed before confirming the Strategy & Resources Working Group membership

**It was RESOLVED unanimously that**

- 1) the Working Group Members as set out at Annex 1 be agreed**
- 2) Cllr Earwaker be appointed Lead Member for the Community & Wellbeing Working Group;**
- 3) Cllr Mirylees be appointed Lead Member for the Culture & Business Working Group;**
- 4) Cllr Brown be appointed Lead Member for the Environment Working Group;**
- 5) the Strategy & Resources Working Group comprise Cllrs Beaman, Hesse, Martin, Murray, Brown, Fairclough, Mirylees and Earwaker.**
- 6) The following Task Groups be re-established: Allotments Advisory, Assets, Infrastructure Task Group (Including Neighbourhood Plan, FIP and CIL); Literary Festival Advisory; World Craft Town Advisory, Local Government Reorganisation, and Gostrey Amenity Building Reference).**

Council then reviewed and confirmed the remaining Panels, Task Groups as set out at Annex 1. Members discussed continuity on the HR Panel, particularly given the confidential nature of its work and the likely recruitment process for a new Town Clerk, and confirmed that the panel should remain compact and consistent with six members.

## C89/26 Strategy & Resources Working Group

Cllr Murray introduced the report of the Strategy & Resources Working Group at Appendix D.

### 1 Financial matters

There were a range of financial and governance matters including the 9 month income and expenditure report showing income at 163% of budget as a result of the Coxbridge CIL receipt and expenditure at 96%, primarily because of the playground project.

The proposed Investment Strategy was discussed in detail, with Members considering the balance between risk and return, and the importance of safeguarding public funds. There was general agreement that a prudent approach remained appropriate in the current economic climate.

Fees and charges were reviewed, with discussion focusing on cost recovery, benchmarking against comparable authorities, and the potential impact on service users. Members agreed a late payment fee of £20 for allotment holders because of the additional administration involved.

The Internal Audit report was received, providing assurance on the Council's systems and controls. Members noted the positive findings while acknowledging the importance of continuing to monitor and strengthen governance arrangements.

Concern was expressed over the proposed election fees received from Guildford & Waverley Electoral Services for the 2027 election suggesting they would be £12 per elector. Representations had been made as this would increase the costs from £70k to some £375k.

In terms of grants, an additional contribution to the recently introduced Hospital Hoppa scheme was supported in view of its success. The balance of the Community Initiatives Fund was also considered with a proposal to support the Farnham Museum Buy-a-brick campaign with a contribution of £15,000 to help encourage others to support the project. Cllr Mirylees and Cllr Merryweather declared an interest as Portfolio holders at Waverley Borough Council and abstained.

a) It was **RESOLVED** unanimously that:

- 1) the Investment Strategy at Annex 1 be approved;
- 2) the Fees and Charges for 2026/27 at Annex 2 be adopted;
- 3) the Internal Audit report at be welcomed;

b) It was **RESOLVED** *nem con* that:

- 1) £15,000 be allocated from the Community Initiatives Fund from 2025/26 to the Farnham Museum 'Buy a Brick' campaign and £5,000 to the Farnham Hospital Hoppa scheme.
- 2) An additional £5,000 be awarded to Hospital Hoppa for the 2025/26 costs in view of its successful implementation.

### 2 Gostrey Amenity Building

Cllr Fairclough advised that 11 bids for the project had been received and interviews had taken place on 21<sup>st</sup> January. Discussions on the detail of the bids and choice of the successful contractor were discussed in detail in the confidential part of the meeting noting that any of the shortlisted contractors could have carried out the project. The successful bidder's price was also not far from the quantity surveyor's original estimate for the work. Council was also reminded that Plan A had



## **Section 7 –**

**Intermediate Audit additional information – Evidence that the authority has considered the independence of the internal auditor in the period 1<sup>st</sup> April 2025 to 31<sup>st</sup> March 2026**

**Report recommending the appointment be extended, minute of appointment, letter of engagement**



# FARNHAM TOWN COUNCIL

# F

## Report Appointment of Internal Auditor

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**Date: 21 July 2025**

### **1. Purpose of Report**

To confirm the reappointment of Mike Platten of April Skies Accounting Ltd as Farnham Town Council's Internal Auditor for a further period of three years, in line with the terms of the proposed engagement for 2025–2028.

### **2. Background**

Under the Accounts and Audit Regulations 2015, the Council is required to maintain an adequate and effective system of internal audit. The internal auditor must be independent of the Council's operations and demonstrate competence in reviewing financial and governance controls. April Skies Accounting Ltd, through Mr Mike Platten, has provided internal audit services to the Council since 2021-22. Mr Platten is a member of the Chartered Institute of Public Finance and Accountancy (CIPFA), which regulates professional standards through an independent disciplinary scheme.

### **3. Competence and Scope of Work**

The engagement confirms that Mr Platten will undertake: Two interim audits (November and March);

- Two interim audits (November and March);
- A final year-end audit;
- Completion of Section 4 of the Annual Governance and Accountability Return (AGAR);
- Reporting on compliance with internal control objectives as defined by the Practitioners' Guide.

The scope of work includes assessment of the Council's financial regulations, risk management, budgeting process, bank reconciliations, accounting practices, payroll, asset registers, and publication of financial information. The agreed annual fee for 2025/26 is £1,260, with additional charges only applying if significant extra work is required.

### **4. Independence**

April Skies Accounting Ltd confirms that it has no relationship with any councillors or staff and will not undertake any consultancy work for the Council, thus maintaining independence in line with sector guidance and best practice.

### **5. Recommendation**

**It is recommended that the Council resolves to reappoint Mike Platten of April Skies Accounting Ltd as Internal Auditor for a further three-year period (2025/26 to 2027/28), subject to annual confirmation of ongoing independence and professional competence.**

- b) Council noted the outcomes of a recent safety inspection had resulted in the need for remedial works to 54 memorials. It was also made aware of recent concerns that had been raised on cemetery matters and of an ongoing review into a breach of Cemetery Regulations in Badshot Lea noting the sensitivities around this issue.

**It was Resolved *nem con* that Farnham Town Council updates the Cemetery Regulations and the Exclusive Rights of Burial (EROB) and Notification of Burial forms, reflecting recent questions raised regarding non-resident interment fees and an advisory notice about adjacent burials.**

## **2) Culture & Business Working Group**

Cllr Mirylees outlined discussions that had taken place at the Culture and Business Working Group held on 30<sup>th</sup> July.

Council noted the success of recent events but that it had proven difficult to have councillors attending the FTC Information Tent on every occasion. The Working Group had reviewed the Sustainability Festival and how it could be further developed but reaffirmed the long-standing position that political groups would not have a space allocated at community events organized by FTC.

The experiment with longer Music in the Meadow events had generally not worked with most people arriving at the normal start time and with additional costs incurred. It was agreed that the World Music Day event would continue.

In terms of World Craft Town, Cllr Mirylees advised that the Artist in Residence was hoped to be a jeweller in 2026 and plans were progressing well for Craft month and a repeat of the Lantern Festival.

In terms of business activities, Cllr Mirylees advised that the Farnham Infrastructure Programme was planning to promote Downing Street during the works with bunting and additional promotion for businesses.

## **3 Strategy & Resources Working Group**

Cllr White introduced the notes of the Strategy & Resources Meeting held on 21<sup>st</sup> July at Appendix D.

### **a) Finance**

Council noted the quarterly Finance Report with expenditure running at the expected level for the first three months of the year at 37.4% with income at 57.8% given the payment of the first half of the precept. There were no debtors being a cause for concern with 90% being the result of invoices issued in June

**It was RESOLVED unanimously that a contribution of 25% of the cost up to a maximum of £5,000 be pledged to the project to restore the St Peter's Lychgate.**

### **b) Reappointment of the current Internal Auditor**

The Working group had considered reappointing the Internal Auditor to allow for continuity for the new Council after the 2027 elections. Under the Accounts and Audit Regulations 2015, the Council is required to maintain an adequate and effective system of internal audit. The internal auditor must be independent of the Council's operations and demonstrate competence in reviewing financial and governance controls.

**It was Resolved unanimously that Mike Platten of April Skies Accounting Ltd be reappointed as Internal Auditor for a further three-year period (2025/26 to 2027/28), subject to annual confirmation of independence and professional competence.**

**c) Bank signatories**

Council noted that the Council's banking mandates for different accounts required updating

**It was Resolved that**

- 1) the following councillors: David Beaman, Alan Earwaker, George Hesse, Andrew Laughton, Michaela Martin, George Murray, John Ward, Graham White, be signatories on Council banking and investment accounts with any two to authorise transactions.**
- 2) the Town Clerk/Responsible Financial Officer continue as the authorised officer to manage accounts and investments.**

**d) Contracts and assets**

- i** Council received detailed information on a range of current contracts and assets issues including the triennial tree survey, the Gostrey Meadow Playground project and the contribution of £33,000 from a Your Fund Surrey allocation, and preparations for the new Gostrey Amenity Building. There were also updates on Library Gardens and plans for a new vehicle to replace a twenty year old vehicle.

**It was Resolved that**

- 1) the tree works be progressed by three arboricultural companies with a report to vire budget to cover the costs made in the six month financial report**
- 2) the actions taken under the Scheme of Delegation to improve the surfacing outside the playground pending the Gostrey Amenity Building Project be endorsed at a cost of up to £5,000.**
- 3) A vote of thanks be made to Surrey County Councillor Andy MacLeod and Michaela Martin for their very welcome contributions to the Gostrey Meadow Playground.**

**ii Christmas Lights**

Council noted the detailed analysis of the bids for Christmas Lights and the competitive tenders that had been received with six bids received and costs ranging from £250,000 to £456,000. The detailed analysis was attached as an exempt annex.

**It was Resolved unanimously that, subject to references and final design details, the Christmas Lights Contract be awarded to Thomas Nagy at a cost of £280,000 for an initial five-year term.**

**iii Gostrey Amenity Building**

Council discussed a report on the Gostrey Amenity Building attached as an Annex to the Working Group report. The Annex set out the outcome of a recent meeting with the architects and details of the specialists required prior to tendering the project. An Assets meeting was scheduled for 18<sup>th</sup> August.

**It was RESOLVED *nem con*, with Cllr Hesse abstaining, in order to move the Gostrey Amenity Building forward without further delay that:**

Iain Lynch  
Farnham Town Council

7 July 2025

Dear Iain

**Internal Audit 2025-26 - Terms of Engagement**

I am writing to confirm terms of engagement for the 25-26 financial year. April Skies Accounting Ltd is able to supply Mike Platten to act as internal auditor to Farnham Town Council. April Skies Accounting is able to carry out the internal audit for the Council for 25-26 financial year at a cost of £1260. This covers the cost of:

- Two interim audits, One to be completed in November, one in March
- The year end audit, to be completed at the Council's convenience after 1 April and in time to permit the Council to approve the AGAR before 30 June.

For 25-26 April Skies Accounting will carry out an interim audit at all councils where we are engaged for internal audit services.

We are writing to confirm the terms of our appointment. This engagement letter sets out the basis on which we are engaged to act as internal auditors and our respective areas of responsibility.

**I. Responsibilities of the Council**

- I.1 The Council is responsible for ensuring that it maintains an adequate system of internal control, including measures designed to prevent and detect fraud and corruption. For clarity, responsibility for safeguarding the assets of the Council and for the prevention and detection of fraud, error and non-compliance with law or regulations rests with the Council.
- I.2 The Council is also responsible for ensuring that accounting statements are prepared in accordance with the requirements of accounting regulations applicable to parish councils.
- I.3 The Council should make available to internal audit, as and when required, all accounting records and all other relevant records and related information, including minutes of all meetings. We are entitled to obtain from the Council's members and employees any information or documentation we think necessary for the performance of our duties as internal auditors.

• 07958 990310

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Company Registration Number 14174016

6 Uplands Road. Farnham GU9 8BP

1.4 We, as your internal auditors cannot absolve management of responsibility for internal controls and must ensure that we are not involved in the operation of controls or making management decisions as such activities may compromise our objectivity.

**2. Responsibility of Internal Audit**

2.1 It is our duty to complete and sign off section 4 of the Annual Return for Local Councils in England. We must report on the following assertions:

**Table I – Internal Control Objectives**

**Source:** *Annual Return for Local Councils in England*

A	Appropriate books of account have been kept properly throughout the year
B	The Council's financial regulations have been met, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.
C	The Council assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these
D	The annual precept 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 council approvals, and PAYE and NI requirements were properly applied.
H	Asset and investments registers were complete and accurate and properly maintained.
I	Periodic and year-end bank account reconciliations were properly carried out.
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, were supported by an adequate audit trail from underlying records, and where appropriate debtors and creditors were properly recorded.
K	Exemption from limited assurance review ( smaller councils only)
L	Transparency Code ( smaller councils compliance)
M	Inspection - Council met responsibilities to allow public inspection of the accounts
N	Publication requirements AGAR
O	Trust funds (including charitable) The council met its responsibilities as a trustee.

- 2.2 We will carry out any audit testing we deem necessary to complete section 4 of the Annual Return for Local Councils in England. Internal Audit has a responsibility to report any evidence of what we judge to be material non-compliance with any of the assertions set out in table I above via the annual report.
- 2.3 We will also report to you in writing any areas where we judge your systems of internal control may need to be strengthened, on completion of our audit work.

### **3. Scope of Audit**

- 3.1 Our internal audit will be conducted in accordance with current practices and guidelines, specifically those set out in section 4 of “Government and Accountability for Local Councils - A Practitioners Guide.”
- 3.2 The scope of our work is limited to completing the audit testing and enquiries we deem necessary to complete Section 4 of the Annual Report for Local Councils in England. We will not provide assurance over or accept responsibility for areas of work not included in this scope, unless specifically agreed with the Council in the course of the financial year.
- 3.3 In providing internal audit services we are not conducting a financial statement audit in accordance with standards and guidelines issued by the Audit Practices Board and our procedures are not designed to provide assurance over the reliability and quality of your financial statements and management information.

### **4. Communication**

- 4.1 We will contact you by email in order to confirm arrangements for the audit.
- 4.2 We will set out any matters arising from the audit in the following formats:
- by email, on conclusion of the audit, to enable discussion of recommendations
  - a report will be issued by email, in time to enable you to complete the Annual Return
- 4.3 We will, of course, contact you regularly in the course of the financial year with regard to audit and other matters.
- 4.4 Our fees do not include attendance at meetings of the Council. If this is required, an additional charge will be incurred.

**5. Electronic Publication**

- 5.1 Where audited financial information is published digitally by the Council, it is the responsibility of the Council to ensure that any such publication properly presents the financial information and auditor's report.
- 5.2 It is your responsibility to ensure there are controls in place to prevent or detect quickly any changes to electronically published information. The maintenance and integrity of electronically published information is the Council's responsibility, and we accept no responsibility for changes made to audited information after it is first posted.

**6. Limitation of liability**

- 6.1 The work carried out under the terms of this engagement letter is solely for the use of Farnham Town. We neither owe nor accept any duty of care to any other third party.

**7. Competence**

- 7.1 April Skies Accounting Ltd provides the services of Mike Platten to Farnham Town Council in respect of the above assignment. Mike Platten is a member of the Chartered Institute of Public Finance and Accountancy (CIPFA). CIPFA maintains a professional disciplinary scheme under which complaints of misconduct by CIPFA members will be investigated. The client has a right to refer to CIPFA any matters affecting professional conduct or competence.

**8. Continuity and Substitution**

- 8.1 April Skies Accounting Ltd may, with the prior written approval of the Client, appoint a suitably qualified and skilled substitute to perform the services instead of the individual, provided that the substitute shall be required to enter into direct undertakings with the Client, including with regard to confidentiality. If the Client accepts the substitute, the Consultant Company shall continue to invoice the Client and shall be responsible for the remuneration of the substitute.

**9. Insurance**

- 9.1 April Skies Accounting Limited holds professional indemnity insurance cover to a limit of £250K. The professional indemnity insurer is Simply Business Insurance. The certificate of insurance is attached.

• 07958 990310

✉ [mike@aprilskies.co.uk](mailto:mike@aprilskies.co.uk)

Company Registration Number 14174016

6 Uplands Road. Farnham GU9 8BP

**10. Independence**

10.1 April Skies Accounting Ltd has no relationship with staff or Councillors of Farnham Town Council, beyond that required to carry out a professional internal audit. Furthermore, in line with NALC guidance, April Skies Accounting Ltd will not take on any form of consultancy work with the Council.

**11. Period of engagement**

11.1 This letter is effective for accounting periods ending on or after 31-03-2026. Any matters arising in respect of prior periods will be dealt with in accordance with best practice.

**12. Fees**

12.1 We calculate our fees using a standard hourly rate plus expenses. Mileage will be charged at 45p mile. All other expenses will be charged at cost.

12.2 Invoices should be settled within 30 days of submission to the Council.

12.3 Our fee assumes a robust level of internal controls at the Council and documented procedures of a high standard. If additional work is required, this is charged at £65 per hour.

**13. Agreement of terms**

13.1 If, having considered the terms of this engagement letter, you conclude they are reasonable, and you wish to engage us on these terms, please let us have your written agreement to these arrangements by returning to us a signed copy of this engagement letter.

Yours faithfully



Mike Platten

April Skies Accounting Ltd

• 07958 990310

✉ [mike@aprilskies.co.uk](mailto:mike@aprilskies.co.uk)

Company Registration Number 14174016

6 Uplands Road. Farnham GU9 8BP

**Farnham Town Council agrees the appointment of April Skies Accounting Limited subject to the terms of this engagement letter.**

Signed: Iain Lynch  
Printed Name: Iain Lynch  
Position: Town Clerk  
Date: 4th August 2025

**Resolution of Council 31st July 2025**

**It was Resolved that Mike Platten of April Skies Accounting Ltd be reappointed as Internal Auditor for a further three-year period (2025/26 to 2027/28), subject to annual confirmation of independence and professional competence.**

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Certificate of Insurance

Issue date: 22 June 2025

Simply Business certifies that the information for April Skies Accounting Limited shown here is correct, as of the issue date above.

For full policy terms and conditions, please refer to the policy wording document.

Company name	April Skies Accounting Limited
Policy number	CHBS3589971XB
Trade/Business	Accountant
Professional indemnity	up to £250,000
Policy start date	01 July 2025
Policy end date	30 June 2026

David Summers  
Group CEO, Simply Business

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## Section 8-

### Contact details form

### Contact details

Name of smaller authority:

**Farnham Town Council**

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

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

	<b>Clerk/RFO (Main contact)</b>	<b>Chair</b>
<b>Name</b>	<b>Iain Lynch</b>	<b>Cllr Graham White Mayor of Farnham</b>
<b>Address</b>	<b>Farnham Town Hall South Street Farnham GU9 7RN</b>	<b>Farnham Town Hall South Street Farnham GU9 7RN</b>
<b>Daytime telephone number</b>	<b>01252 712667</b>	<b>01252 712667</b>
<b>Mobile telephone number</b>	<b>07941 623944</b>	<b>07778 523667</b>
<b>Email address</b>	<b><a href="mailto:Town.clerk@farnham.gov.uk">Town.clerk@farnham.gov.uk</a></b>	<b>mayor@farnham.gov.uk</b>



**Papers for External Audit**

**Year ending 31<sup>st</sup> March 2026**