

# Annual Internal Audit Report 2025/26

Swanscombe and Greenhithe Town Council

<https://swanscombeandgreenhithetowncouncil.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**
A. Appropriate accounting records have been properly kept throughout the financial year.	✓		
B. This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.		✓	
C. This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	✓		
D. The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.		✓	
E. Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.	✓		
F. Cash payments were properly supported by receipts, all cash expenditure was approved and VAT appropriately accounted for.	✓		
G. Salaries to employees and allowances to members were paid in accordance with this authority's approvals, and PAYE and NI requirements were properly applied.	✓		
H. Asset and Investments registers were complete and accurate and properly maintained.	✓		
I. Periodic bank account reconciliations were properly carried out during the year.	✓		
J. Accounting statements prepared during the year were prepared on the correct accounting basis (receipts and payments or income and expenditure), agreed to the cash book, supported by an adequate audit trail from underlying records and where appropriate debtors and creditors were properly recorded.	✓		
K. If the authority certified itself as exempt from a limited assurance review in 2024/25, it met the exemption criteria and correctly declared itself exempt. (If the authority had a limited assurance review of its 2024/25 AGAR tick "not covered")			✓
L. The authority published the required information on a website/webpage up to date at the time of the internal audit in accordance with the relevant legislation.		✓	
M. In the year covered by this AGAR, the authority correctly provided for a period for the exercise of public rights as required by the Accounts and Audit Regulations (during the 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).	✓		
N. The authority has complied with the publication requirements for 2024/25 AGAR (see AGAR Page 1 Guidance Notes).	✓		
O. The authority has complied with laws, regulations & proper practices relating to digital and data compliance.	✓		
P. (For local councils only) Trust funds (including charitable) – The council met its responsibilities as a trustee.			✓

For any other risk areas identified by this authority adequate controls existed (list any other risk areas on separate sheets if needed).

Date(s) internal audit undertaken

Name of person who carried out the internal audit

11/06/2026

Parish & Town Auditing Services

Signature of person who carried out the internal audit



Date

11/06/2026

\*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).

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Indigo Allred  
Assistant Town Clerk  
Swanscombe and Greenhithe Town Council  
Council Offices  
The Grove  
Swanscombe  
Kent DA10 0GA

11<sup>th</sup> June 2026

Dear Indigo,

**END OF YEAR INTERNAL AUDIT 2025/26**

Parish & Town Auditing Services have been appointed to undertake the internal audits at Swanscombe and Greenhithe Town Council. The end of year audit was completed on Monday 11<sup>th</sup> June 2026.

I can confirm that I am independent of the Town Council.

As stated in the Letter of Engagement letter, the scope of our work is limited to completing the audit testing and enquiries we deem necessary to complete The Internal Audit Section 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 and our procedures are not designed to provide assurance over the reliability and quality of your financial statements. This will be undertaken by the Council's appointed External Auditor.

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 controls are included in the following report.

Thank you for all the information you have provided to enable the audit to be completed.

Yours sincerely,

Paul Russell, Internal Auditor

## **INTERNAL AUDIT**

Outlined below is an overview of the 10 Assertions within the Practitioners Guide 2025. Each of these are dealt with under the relevant Governance sections contained in Section 1 of the AGAR:

AGS Assertion 1 — Financial management and preparation of accounts

- Accounting Records and supporting documents:
- Bank reconciliation:
- Budget setting:
- Investments:
- Reserves:
- General Reserves:
- Earmarked and other reserves:

AGS Assertion 2 — Internal control

- Standing Orders and Financial Regulations:
- Safe and efficient arrangements to safeguard public money:
- Employment:
- VAT
- Fixed assets and equipment:
- Loans and long-term liabilities:

AGS Assertion 3 — Compliance with laws, regulations and proper practices

- Acting with its powers:

AGS Assertion 4 — Exercise of public rights

AGS Assertion 5 — Risk management

AGS Assertion 6 — Internal audit

AGS Assertion 7 — Reports from auditors

AGS Assertion 8 — Significant events

AGS Assertion 9 — Trust funds (local councils only)

AGS Assertion 10 — Digital and data compliance

The following headings are based on Section 1 – Annual Governance Statement.

**A. Appropriate accounting records have been properly kept throughout the financial year.**

Under a new staffing structure The Council will be appointing the Town Clerk as the Responsible Financial Officer as required by Section 151 of LGA1972. [Staff Structure – Swanscombe and Greenhithe Town Council](#)

It is noted that Locum Financial support has been secured to help the Council with its finances in the short term. The Locum is currently the RFO. There is currently some staff changes occurring and recruitment is being undertaken.

Section 2 of the accounting statement for 2024/25 has restated the roll over figure in Box 7 as £74,702.48.

The Council had a low roll over figure from 2024/25 bearing in mind it started the year with £193,955. The end of year balance of £74,702 would suggest that the Council had overspent by just under £120,000.

The Council did not have an adequate General Reserve (£74,702) in place to meet the current recommendations. Council should hold at least 3 months' worth of expenditure or 25% of its annual precept as a General Reserve. Based on the 2024/25 precept of £440,713 and the total expenditure less other income of £559,965 Council should have had a roll over figure in its General Reserve of between £110,000 and £ 140,000 as a General Reserve. Note that this does not include any Earmarked Reserve funds which Council should have to meet its maintenance liabilities.

The Notice of Conclusion of Annual Audit has been published on the website for 2024/25 and the Council received a clear audit.

The Council maintains its financial records with Scribe financial software.

A review of the Council's accounts has been undertaken. Expenditure has been properly recorded and monthly bank reconciliations were undertaken. The reconciliations were reported to the F&GP Committee who duly noted the reconciliations.

It was noted that the F&GP Committee meetings during 2025 lasted 10 minutes (March), 25 minutes (June), 45 minutes (Sept) and 20 minutes (Nov). Bearing in mind the financial situation the Council now finds itself in **it is recommended that the F&GP Committee carries out more rigorous scrutiny of its financial reports especially the monthly budget monitoring report and the bank reconciliation.**

The Council uses the Scribe Accounting software package.

Although there is an adequate process in place to ensure that financial information is correctly recorded and reported to Council as part of its governance procedures the scrutiny of the accounts needs to improve and become more robust to ensure that expenditure remains within budget.

A payment list is produced and copies of all the invoices are sent to two Councillors for approval prior to payment. Payments are approved and minuted at the Finance & Policy Committee meeting which is held bi-monthly.

Invoice procedure is as follows:

- Invoices are reviewed for accuracy by the Town Clerk/RFO;
- Invoices are date stamped and coded to the correct cost centre;
- Invoices are printed and filed, and saved electronically. **It is recommended that the electronic invoices be uploaded into the financial software;**
- Payments are reported to F&GP and authorised;
- Payments are uploaded into the banking app by the RFO or Assistant Town Clerk;
- Payments are authorised by an officer and two Councillors;
- Multiple people check the invoices and can verify details if required.

The Council does not have an Internal Controls Policy or a Scheme of Delegation in place. As the Council is a large Council these policies would be useful to help improve the controls in place.

**It is recommended that an Internal Controls Policy and a Scheme of Delegation be developed to improve the finance and governance processes of the Council.**

It has been verified that the year-end bank reconciliation has accurately disclosed the combined cash and bank balances in the AGAR, section 2, line 8. Box 8 at year end amounts to £ 53,923.60.

The Council has an Investment strategy adopted and in place. However, at present the Council balances at year end are below £100,000 and although this was updated in May 2025 it does need to be reviewed. [INTRODUCTION](#)

**The Council has met the requirements of this control objective. However, it does need to improve the scrutiny of its accounts and ensure that it does not find itself in the same position as it did towards the end of the 2025/26 financial year.**

**B. This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.**

Tenders and Contracts are governed by the Financial Regulations. All contracts being tendered should be published on the Council's website as well as the Find a Tender portal where required.

**Recommend that a Contracts/Tenders page be included on the website to meet current regulations.**

Both Standing Orders and Financial Regulations are based on an old version of the NALC template and still refer to EU financial limits. These have been superseded following the enactment of the Procurement Act 2024.

**It is recommended that Standing Orders be reviewed and revised as soon as possible to ensure Council is adhering to recent legislative changes. Currently both documents are out of date and the limits contained within them are no longer valid and have been superseded by the Procurement Act 2023, which was enacted in January 2025.**

The financial procedures have been reviewed and outlined in Section A. There is appropriate segregation in place. The RFO sets up the payments and two authorised signatories approve the payments.

Council is VAT registered. VAT submissions are made on a quarterly basis. Three claims have been received according to the accounts with Q4 from 2024/25 also received (£11,002.85).

Q1	£13,109.71	11/07/2025
Q2	£12,777.09	07/10/2025
Q3	£14,201.92	12/01/2026

A concern regarding the VAT charges at the Old Fire Station Café has been identified. The larger transactions recorded have an element of VAT included but the smaller transactions are exclusive of VAT. As the Council is VAT registered it should be charging VAT on all sales.

It has been noted that none of the Council buildings are VAT registered. This may have an impact on the VAT exemption limits Council can claim back on expenditure incurred if the buildings are not registered for VAT.

**Due to some concerns regarding the Council's VAT position, it is recommended that expert advice be sought to confirm:**

- **Income that is exempt from VAT;**
- **Any ramifications linked to those exemptions;**
- **Whether VAT should have been included on all Old Fire Station Café income;**
- **The VAT position on hall hirings and open space hirings;**
- **Whether the Council should undertake a partial exemption calculation.**

The Council has a Barclaycard in place. Transactions and purchases are reported to as part of the payments list and card balances are paid off in full each month in line with Financial Regulations.

**The Council has not met the requirements of this control objective.**

**C. This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.**

There is a Risk Management Policy in place and was reviewed on 14<sup>th</sup> May 2025.

[RISK MANAGEMENT](#)

**The Risk Management Policy needs to be fundamentally reviewed and updated as it still references cheque payment authorisations and makes no reference to loss of key personnel. The financial section needs to refer back to the Financial Regulations.**

The Council is insured with Zurich. Policy Number YLL-272006-0033. The Policy runs from 21<sup>st</sup> May 2026 to 20<sup>th</sup> May 2027. Confirmed that a previous policy was in place. Council is adequately insured and has been reviewed against the asset register. Cover includes Employers Liability (£10 million), Public Liability (£15 million) and a Fidelity Guarantee (£1 million)

The Council is responsible for the management and maintenance of a number of play areas in the town. The Council undertakes annual independent risk assessment inspections. Quarterly inspections are also undertaken and the report findings recorded.

The Council has reviewed the risks it is facing especially from a financial perspective and has taken appropriate action to enable the Council to carry out its day-to-day business as efficiently as it can.

**The Council has met the requirements of this control objective.**

**D. The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.**

At its meeting held on 9<sup>th</sup> January 2025 Full Council formally approved the budget and the setting of a precept. (Minute 351/24-25). A precept of £470,622 was agreed. A budget was developed by the F&GP Committee and submitted to Council for approval.

*351/24-25. COUNCIL TAX BASE & PRECEPT 2025 – 2026. To set the Council Tax Base for Band D properties and the precept figure for 2025 – 2026. MOVED BY Councillor Richard Lees, seconded by Councillor Lesley Howes, and unanimously agreed. RESOLVED: That the Council Tax Base for Band D properties 2025 – 2026 be set and the precept figure be set at £470,622 for 2025 - 2026.*

It has been confirmed that a precept of £470,622 was requested. (MHCLG Parish Code E2233P007)

Budget monitoring has been carried out during the year but until recently there was a lack of due diligence and scrutiny. This resulted in the Council having to request an upfront payment from Dartford Borough Council of £120,000 from the 2026/27 precept request, which was received on 27<sup>th</sup> February 2026, to enable the Council to meet its existing financial obligations. Based on this it would be reasonable to assume that the budgeting process and budget monitoring during the year has been inadequate, especially as the lack of a General Reserve had been commented on by the previous internal auditor.

Based on the above comment it is felt that this control objective has not been met.

The Council has no Earmarked Reserves in place due to a lack of funds. **It is recommended that as the Council begins to build up its General Reserve it also starts to build up some earmarked reserves to help meet future maintenance and other liabilities bearing in mind the number of properties it owns.**

The Council does not currently have an adequate General Reserve in place to meet the current recommendations. Council should hold at least 3 months worth of expenditure or 25% of its annual precept as a General Reserve. As previously indicated the Council should be aiming for a General Reserve of between £110,000 and £ 140,000 as a General Reserve

The Council has the following Bank Statement Balances as at 31<sup>st</sup> March 2026. Note that an advanced precept payment of £120,000 has been received:

<b>ACCOUNT</b>	<b>AMOUNT</b>
Current A/C	£113.35
Active Saver	£140.28
Active Saver 2	£95,094.40
Petty Cash	£825.82
<b>Total</b>	<b>£ 96,173.85</b>

**The Council has not met the requirements of this control objective.**

**E. Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.**

The Council has £6,229.67 of debtors at year end. Only one is more than three months old and is identified as a donation.

The allotment site is managed by the Swanscombe and Greenhithe Allotment and Garden Association. The Association collects the allotment rents on behalf of the Town Council and a single receipt of £5,512.51 has been received. A copy of the tenancy agreement has been provided.

The Council has a number of venues and open spaces for hire. Details can be found on the website: [Community Halls – Swanscombe and Greenhithe Town Council](#), [Parks and Open Spaces – Swanscombe and Greenhithe Town Council](#) and [Sports Pitches – Swanscombe and Greenhithe Town Council](#).

Income is properly recorded in the accounts and invoices are raised as required.

The Council has a Leases & Legal Sub-Committee that reviews all existing and impending leases.

A sample review of other income has been undertaken and appropriate controls are in place to record the income received.

**The Council has met the requirements of this control objective.**

**F. Cash payments were properly supported by receipts, all cash expenditure was approved and VAT appropriately accounted for.**

The Council operates a petty cash account. The cash payments during the year were mainly for food supplies for the café and a civic event. There was no VAT recorded.

All petty cash is recorded in the accounts package and reconciled on a regular basis. **Recommend that the Council reviews the petty cash controls when it reviews its Financial Regulations.**

**The Council has met the requirements of this control objective.**

**G. Salaries to employees and allowances to members were paid in accordance with this authority's approvals, and PAYE and NI requirements were properly applied.**

Each member of staff has a contract of employment in place. Contracts are based on the Green Book.

Members do not receive a members allowance.

A sample of staff salaries have been reviewed. Staff are employed on NJC pay scales. Tax codes have been applied to the employees reviewed.

Payroll was undertaken during the year by an external contractor. Reports have been provided and details are included in the accounting package.

Both the Local Government Pension Scheme and the Digital Wealth Scheme is in place. Pension contributions are deducted and monthly payments of employee and employer contributions are made to the schemes.

Both employee and employer NI contributions are applied and submitted to HMRC on a monthly basis.

A test sample was undertaken. All staff have been overpaid by salary plus fringe plus an additional fringe payment for every month in 25-26. Therefore the NET pay has been incorrect due to this issue.

and it was confirmed that the correct net pay was paid to the employee with tax, NI and pension contributions correctly deducted and paid to the respective agencies.

**The Council has met the requirements of this control objective.**

**H. Asset and investments registers were complete and accurate and properly maintained.**

An Asset Register is in place and a copy has been reviewed. The Asset Register only identifies the current value.

**It is recommended that the Asset Register be reviewed and possibly maintained within the Scribe software package. This will enable insurance and replacement values to be recorded as well as life expectancy of each capital asset to enable Council to plan future replacement.**

The end of year asset value as stated on the AGAR is £5,221,142.78. This is the figure on the updated asset register.

A comparison between the asset register and the insurance schedule has been undertaken to ensure that all assets as recorded are appropriately insured or “self-insured” by the Authority. The Council is adequately insured.

The Council has no long-term investments in place.

The Council does not have any outstanding loans.

**The Council has met the requirements of this control objective.**

**I. Periodic bank account reconciliations were properly carried out during the year.**

Bank reconciliations are undertaken monthly and reported to the Finance & General Purposes Committee at each meeting when they are approved and signed off.

**The Council has met the requirements of this control objective.**

**J. Accounting statements prepared during the year were prepared on the correct accounting basis (receipts and payments or income and expenditure), agreed to the cash book, supported by an adequate audit trail from underlying records and where appropriate debtors and creditors were properly recorded.**

Accounts are maintained on an income and expenditure basis.

Accounting arrangements are in place to account for debtors and creditors during the year and at year end.

**The Council has met the requirements of this control objective.**

**K. If the authority certified itself as exempt from a limited assurance review in 2024/25, it met the exemption criteria and correctly declared itself exempt. (If the authority had a limited assurance review of its 2024/25 AGAR tick “not covered”).**

Not covered.

**L. The authority publishes information on a free to access website/web page, up to date at the time of the internal audit in accordance with the relevant legislation.**

The Council does not have a specific Transparency Page on its website but publishes most of the information required.

**It is recommend that Council considers setting up a specific Transparency Page to collate and publish all the requirements in one place.**

The following information is published on the Parish Council's website.

**Expenditure exceeding £500**

Local authorities must publish details of each individual item of expenditure that exceeds £500. [Published](#)

**Government Procurement Card transactions**

Local authorities must publish details of every transaction on a Government Procurement Card ([not applicable](#)).

**Procurement information**

Local authorities must publish details of every invitation to tender for contracts to provide goods and/or services with a value that exceeds £5,000. [Not published](#)

**Contracts**

Local authorities must also publish details of any contract, commissioned activity, purchase order, framework agreement and any other legally enforceable agreement with a value that exceeds £5,000. [Not published](#)

**Information to be published annually**

The following information should be published annually:

- Local authority land (The Asset Register) [Published on the website](#)
- Social housing assets [Not applicable](#)
- Grants to voluntary, community and social enterprise organisations [Published annually](#)
- Organisation chart (Staff structure with Council and Committee structure) [Published](#)
- Trade union facility time (only applicable if you provide facilities for union representatives) [Not applicable](#)
- Parking account (to be published if parking income received) [Not applicable](#)
- Parking spaces (publish the number of marked out controlled on and off-street parking spaces within their area, or an estimate of the number of spaces where controlled parking space is not marked out in individual parking bays or spaces) [Not applicable](#)
- Senior salaries (Council has one Officer over the £50,000 threshold) [Not published](#)
- Constitution (Standing Orders) [Published](#)
- Pay multiple (see the code) [Not published](#)
- Fraud (see the code) [Not published](#)

**The Council has not met the requirements of this control objective.**

**M. In the year covered by this AGAR, the authority correctly provided for a period for the exercise of public rights as required by the Accounts and Audit Regulations (*during the 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).***

The publication requirements were met. The public notice ran from 3<sup>rd</sup> June 2025 to 14<sup>th</sup> July 2025 and meets the 30 day statutory requirement.

The Council did not formally minuted the dates of the public notice at the meeting where the AGAR was approved on 14<sup>th</sup> May 2025. **Recommend that this be actioned in future.**

**The Council has met the requirements of this control objective.**

**N. The authority has complied with the publication requirements for 2024/25 AGAR.**

Publication Requirements Under the Accounts and Audit Regulations 2015, Authorities must publish the following information on the authority website/webpage:

Publication Requirements Under the Accounts and Audit Regulations 2015, Authorities must publish the following information on the authority website/webpage: Before 1 July 2025 authorities must publish:

- Notice of the period for the exercise of public rights and a declaration that the accounting statements are as yet unaudited: [Published](#).
- Section 1 - Annual Governance Statement 2024/25, approved and signed, page 4: [Published](#)
- Section 2 - Accounting Statements 2024/25, approved and signed, page 5: [Published](#)

Not later than 30 September 2025 authorities must publish:

- Notice of conclusion of audit: [Published](#)
- Section 3 - External Auditor Report and Certificate: [Published](#)
- Sections 1 and 2 of AGAR including any amendments as a result of the limited assurance review: [Published](#)

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. [Published](#).

**The Council has met the requirements of this control objective.**

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

The Council has a .gov.uk domain for its emails and its website. Staff and Councillors are provided with an official .gov.uk email address and these are publicised on the website. Emails are managed within a secure environment by the Council.

Council meets the best practice requirement for emails and has a directly owned .gov.uk domain name for its emails and website.

The Council has an IT policy in place as required. [2025-Acceptable-Use-of-IT-Policy-Combined-Reviewed-at-AGM-14-May.pdf](#)

The Council has an Accessibility Statement published on its website. [Accessibility Statement – Swanscombe and Greenhithe Town Council](#)

**Recommend this be updated as it still refers to WCAG2.1. See note below.**

Note that since September 2020, all parish and town councils must have a website that complies with Website Content Accessibility Guidelines (WCAG). As from October 2024 that rating level changed from WCAG2.1AA to WCAG2.2AA so that it meets Accessibility Guidelines as set in the Public Sector Bodies Accessibility regulations.

Two scans have been undertaken. Scan one for compliance with WCAG2.2AA scored 51%: [Scan Results — CompliaScan](#)

Scan 2 for accessibility scored 6.4 out of 10: [WAVE Report of Swanscombe and Greenhithe Town Council](#)

Swanscombe and Greenhithe Town Council's website is not WCAG2.2AA compliant and accessible. **Recommend that the Council's web provider be contacted to improve accessibility and transparency.**

Data Protection – The Council has the following data protection in place as required:

- The Council has a Data Protection Lead as outlined in the Data Protection Policy.
- Data Protection Policy: [2025-Data-Protection-Policy-Reviewed-at-AGM-14-May.pdf](#)
- Data Retention Policy: [2025-Data-Retention-and-Disposal-Policy-Reviewed-at-AGM-14-May.pdf](#)
- Privacy Policy: [2025-Privacy-Policy-Reviewed-at-AGM-14-May.pdf](#)
- Data Breach: [2025-Breach-Notification-Policy-Reviewed-at-AGM-14-May.pdf](#)
- Subject Access: [2025-Subject-Access-Request-Policy-Reviewed-at-AGM-14-May.pdf](#)
- Training Policy: [2025-Data-Protection-Training-Reviewed-at-AGM-14-May.pdf](#)
- Data is held in a secure environment. [Policy](#)

A Freedom of Information Policy is in place: [Information available from Parish and Community Councils under the model publication scheme](#)

It is recommended that the Council publishes a Transparency page on its website to publish all the required information.

**The Council has met the requirements of this control objective.**

**P. (For local councils only) Trust funds (including charitable) – The council met its responsibilities as a trustee.**

The Council is not a sole Trustee.

## Section 1 – Annual Governance Statement 2025/26

We acknowledge as the members of:

ENTER NAME OF AUTHORITY  
**Swanscombe and Greenhithe 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.	<input type="checkbox"/>	<input checked="" type="checkbox"/>		<i>prepared its accounting statements in accordance with the Accounts and Audit Regulations.</i>
2. We maintained an adequate system of internal control including measures designed to prevent and detect fraud and corruption and reviewed its effectiveness.	<input type="checkbox"/>	<input checked="" type="checkbox"/>		<i>made proper arrangements and accepted responsibility for safeguarding the public money and resources in its charge.</i>
3. We have assured ourselves that there are no matters of actual or potential non-compliance with laws, regulations and Proper Practices that could have a significant financial effect on the ability of this authority to conduct its business or manage its finances.	<input type="checkbox"/>	<input checked="" type="checkbox"/>		<i>has only done what it has the legal power to do and has complied with Proper Practices in doing so.</i>
4. We provided proper opportunity during the year for the exercise of electors' rights in accordance with the requirements of the Accounts and Audit Regulations.	<input checked="" type="checkbox"/>	<input type="checkbox"/>		<i>during the year gave all persons interested the opportunity to inspect and ask questions about this authority's accounts.</i>
5. We carried out an assessment of the risks facing this authority and took appropriate steps to manage those risks, including the introduction of internal controls and/or external insurance cover where required.	<input checked="" type="checkbox"/>	<input type="checkbox"/>		<i>considered and documented the financial and other risks it faces and dealt with them properly.</i>
6. We maintained throughout the year an adequate and effective system of internal audit of the accounting records and control systems.	<input checked="" type="checkbox"/>	<input type="checkbox"/>		<i>arranged for a competent person, independent of the financial controls and procedures, to give an objective view on whether internal controls meet the needs of this smaller authority.</i>
7. We took appropriate action on all matters raised in reports from internal and external audit.	<input type="checkbox"/>	<input checked="" type="checkbox"/>		<i>responded to matters brought to its attention by internal and external audit.</i>
8. We considered whether any litigation, liabilities or commitments, events or transactions, occurring either during or after the year-end, have a financial impact on this authority and, where appropriate, have included them in the accounting statements.	<input checked="" type="checkbox"/>	<input type="checkbox"/>		<i>disclosed everything it should have about its business activity during the year including events taking place after the year end if relevant.</i>
9. (For local councils only) Trust funds including charitable. In our capacity as the sole managing trustee we discharged our accountability responsibilities for the fund(s)/assets, including financial reporting and, if required, independent examination or audit.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<b>N/A</b>	<i>has met all of its responsibilities where, as a body corporate, it is a sole managing trustee of a local trust or trusts.</i>
10. We have put in place arrangements for the effective IT and data management in accordance with proper practices during the year under review.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<i>has made suitable arrangements for its IT and data management and has complied with proper practices in doing so.</i>

\*Please provide explanations to the external auditor on a separate sheet for each 'No' response and describe how the authority will address the weaknesses identified. These sheets must be published with the Annual Governance Statement.

This Annual Governance Statement was approved at a meeting of the authority on:

18/06/2026

and recorded as minute reference:

72/26-27

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

Chair

Clerk

*[Signature]*  
*[Signature]*

Swanscombe and greenhithe town council. gov.uk



## SWANSCOMBE AND GREENHITHE TOWN COUNCIL Annual Governance Statement 2025/26

Report to guide Members through completion of Section 1 of the AGAR

June 2026

### Purpose of this report

This report is intended to assist the Town Council in considering and approving Section 1 of the Annual Governance and Accountability Return (AGAR), namely the Annual Governance Statement for 2025/26. It draws on the End of Year Internal Audit Report dated 11 June 2026 and identifies where a Yes, No or Not Applicable response appears appropriate. The final decision remains a decision of Full Council.

### 1. Executive summary

The Annual Governance Statement is not a technical accounting exercise. It is the Council's own statement that it has reviewed the effectiveness of its governance arrangements, internal controls, risk management and compliance during 2025/26. Members should therefore consider the evidence, the internal auditor's findings, the Council's own knowledge of the year, and the action now required.

The end of year internal audit contains a number of positive conclusions, including that monthly bank reconciliations were undertaken and reported, income was properly recorded, the year-end bank reconciliation agreed to the AGAR, insurance was in place, and the public rights and AGAR publication requirements for 2024/25 were met. However, the report also identifies serious weaknesses around budget monitoring, reserves, standing orders and financial regulations, VAT treatment, transparency publication, and the adequacy of scrutiny during the year.

On that basis, this report recommends that the Council gives a full and transparent set of responses. Where there is a material weakness, the safer governance approach is to answer "No" and publish a clear explanation and corrective action plan, rather than attempting to force a "Yes" answer.

### 2. Recommended Annual Governance Statement responses

AGS	Area	Suggested response	Reason / caveat
1	Financial management and preparation of accounts	NO	Inadequate budget monitoring and reserves; early release of £120,000 from the 2026/27 precept was needed to meet 2025/26 obligations.
2	Internal control	NO	Financial Regulations and Standing Orders are out of date; VAT concerns identified; no Internal Controls Policy or Scheme of Delegation in place.
3	Compliance with laws, regulations and proper practices	NO	Procurement/transparency publication requirements were not fully met and governance documents require urgent legislative update.
4	Exercise of public rights	YES	The internal audit confirms the 2024/25 public rights period was properly provided, although future approval minutes should expressly record the dates.
5	Risk management	YES	Insurance and operational risk arrangements were in place; the risk policy still requires fundamental review.
6	Internal audit	YES	Independent internal audit was

AGS	Area	Suggested response	Reason / caveat
			undertaken and reported to the Council.
7	Action on auditor reports	NO	The lack of adequate General Reserve had been raised previously and was not sufficiently resolved during the year.
8	Significant events	YES	The Council should minute that it has considered the financial impact of the early precept drawdown, low reserves and any other post year-end matters.
9	Trust funds	N/A	The Council is not a sole trustee.
10	Digital and data compliance	YES	The internal audit concludes this objective was met, but immediate action is needed on website accessibility and transparency improvements.

Note: The final responses must be approved by Full Council. If Members decide to depart from these suggested responses, the minutes should record the reasons and evidence relied upon.

### 3. Key matters Members should have in mind

#### 3.1 Financial position and reserves

The internal audit records that the Council's 2024/25 rollover balance was £74,702.48, compared with an opening position of £193,955, suggesting an overspend of just under £120,000. The auditor also concluded that the Council did not have an adequate General Reserve and should have been aiming for a General Reserve in the region of £110,000 to £140,000.

The audit further records that the Council had to request an upfront payment of £120,000 from Dartford Borough Council from the 2026/27 precept request, received on 27 February 2026, to meet existing financial obligations. This is a material governance issue. It does not mean the Council received additional funding overall; it means part of the 2026/27 precept was received early, leaving a corresponding shortfall in 2026/27 cash receipts.

#### 3.2 Scrutiny and budget monitoring

The internal audit noted that Finance and General Purposes Committee meetings during 2025 were relatively short and recommended more rigorous scrutiny of budget monitoring reports and bank reconciliations. The Council should therefore recognise that the budget monitoring process was not sufficiently robust during the year.

#### 3.3 Internal control, procurement and VAT

The internal audit records that the Council does not have an Internal Controls Policy or Scheme of Delegation, and that Standing Orders and Financial Regulations are based on older NALC templates and refer to superseded EU financial limits. The report also identifies concerns over VAT treatment at the Old Fire Station Cafe and whether VAT advice is required for income streams such as hall hirings, open space hirings and partial exemption.

#### 3.4 Transparency, digital compliance and website accessibility

The internal audit found that the Council does not have a dedicated Transparency Page and that certain publication requirements were not met, including procurement information, contracts over £5,000, senior salary information, pay multiple and fraud information. The report also identifies that the website is not currently WCAG 2.2 AA compliant and recommends engagement with the web provider.

## 4. Detailed guidance by AGS assertion

### Assertion 1 - Financial management and preparation of accounts

**Recommended response: NO**

**Reasoning:**

- The internal audit confirms that the Council reviewed risks, maintained insurance cover, held appropriate liability and fidelity guarantee cover, and undertook play area inspections.
- The Risk Management Policy is nevertheless out of date and should be fundamentally reviewed.

**Actions to minute / agree:**

- Review and re-adopt the Risk Management Policy.
- Add risk areas for loss of key personnel, financial sustainability, cyber and data, property liabilities and income failure.
- Link financial risks back to the revised Financial Regulations.

**Assertion 6 - Internal audit**

**Recommended response: YES**

**Reasoning:**

- The internal audit was carried out by Parish and Town Auditing Services, who confirmed independence from the Council.
- The report was completed for the 2025/26 year-end audit and provides detailed testing against the AGAR internal control objectives.

**Actions to minute / agree:**

- Formally receive the internal audit report.
- Agree the management response and monitor actions through Finance and General Purposes Committee.

**Assertion 7 - Reports from auditors**

**Recommended response: NO**

**Reasoning:**

- The internal audit report states that the lack of a General Reserve had been commented on by the previous internal auditor.
- Given that the issue remained unresolved and the Council required an early precept drawdown, it is difficult to evidence that appropriate action was taken on all matters raised in previous auditor reports.

**Actions to minute / agree:**

- Create an audit action tracker covering all previous and current internal and external audit points.
- Allocate owners, deadlines and status updates.
- Report progress to every Finance and General Purposes Committee meeting until complete.

**Assertion 8 - Significant events**

**Recommended response: YES**

**Reasoning:**

- Members should specifically consider whether any litigation, liabilities, commitments, events or transactions during or after year-end require disclosure or adjustment.
- The £120,000 early precept drawdown, reserves position and financial recovery measures should be acknowledged in the minutes.

**Actions to minute / agree:**

- Minute the Council's consideration of significant events and financial implications.
- Ensure any material post year-end issues are disclosed to the external auditor if required.

**Assertion 9 - Trust funds**

**Recommended response: NOT APPLICABLE**

**Reasoning:**

- The internal audit confirms that the Council is not a sole trustee.

**Actions to minute / agree:**

- Mark the assertion as Not Applicable, if this remains accurate at the date of approval.

**Assertion 10 - Digital and data compliance**

**Recommended response: YES, with urgent actions**

**Reasoning:**

- The internal audit confirms that the year-end bank reconciliation agreed to the AGAR and that financial records are maintained in Scribe.
- However, the Council's financial management during the year was materially weakened by inadequate budget monitoring, inadequate reserves, and the need for an early release of £120,000 from the following year's precept.
- Because the assertion asks about arrangements during the year, not just whether the year-end accounts can be prepared, the appropriate transparent response is "No".

**Actions to minute / agree:**

- Adopt a 2026/27 financial recovery plan.
- Report budget monitoring and bank reconciliations to every Full Council or Finance Committee cycle.
- Adopt a reserves policy setting target General Reserve and Earmarked Reserve levels.
- Rebuild General Reserve and create Earmarked Reserves for property, plant, vehicles, play areas and major maintenance.

**Assertion 2 - Internal control**

**Recommended response: NO**

**Reasoning:**

- The internal audit confirms that segregation exists for payment processing, with payments set up by officers and authorised by councillor signatories.
- However, there are material weaknesses: no Internal Controls Policy, no Scheme of Delegation, out-of-date Financial Regulations and Standing Orders, and VAT uncertainties.
- These weaknesses mean the Council cannot confidently state that it maintained an adequate system of internal control throughout the year.

**Actions to minute / agree:**

- Adopt updated Financial Regulations and Standing Orders.
- Adopt an Internal Controls Policy and Scheme of Delegation.
- Obtain specialist VAT advice and implement any corrections required.
- Introduce a formal monthly internal control checklist signed by the RFO/Clerk and independently reviewed.

**Assertion 3 - Compliance with laws, regulations and proper practices**

**Recommended response: NO**

**Reasoning:**

- The audit identifies that procurement and contract publication requirements were not fully met.
- Standing Orders and Financial Regulations still refer to old EU limits and require urgent update to reflect current procurement legislation.
- Transparency Code publication gaps also indicate that proper practice compliance was incomplete.

**Actions to minute / agree:**

- Create a website Contracts/Tenders and Transparency page.
- Publish invitations to tender and contracts over the required thresholds.
- Review all governance documents against current legislation.
- Maintain a compliance tracker for statutory publications and annual review dates.

**Assertion 4 - Exercise of public rights**

**Recommended response: YES**

**Reasoning:**

- The internal audit confirms that the publication requirements were met and that the public rights notice ran from 3 June 2025 to 14 July 2025, satisfying the statutory period.
- The only improvement noted is that future minutes should formally record the dates approved for the public rights period.

**Actions to minute / agree:**

- When approving the AGAR, minute the exact public rights dates.
- Ensure all required documents are published by the statutory deadline.

**Assertion 5 - Risk management**

**Recommended response: YES**

**Reasoning:**

- The internal audit records that the Council uses a .gov.uk domain for its website and emails, has an IT policy, and has a suite of data protection policies in place.
- However, the audit also records that the website is not WCAG 2.2 AA compliant and recommends that the web provider be contacted to improve accessibility and transparency.
- On balance, the suggested response follows the internal auditor's conclusion that the objective was met, but Members should minute the action required.

**Actions to minute / agree:**

- Update the Accessibility Statement to WCAG 2.2 AA.
- Ask the web provider to address accessibility failures.
- Create a Transparency Page and publish the missing items identified by internal audit.
- Schedule an annual digital and data compliance review.

## 5. Suggested wording for the Council resolution

**Recommended resolution**

That the Council:

1. receives and notes the End of Year Internal Audit Report 2025/26;
2. considers each assertion within Section 1 of the Annual Governance and Accountability Return 2025/26;
3. approves the Annual Governance Statement responses as set out in this report, subject to any amendments agreed at the meeting;
4. approves the explanation of "No" responses and the associated action plan for publication and submission with the AGAR;
5. instructs the Clerk/RFO to ensure that all required AGAR documents and public rights notices are published within the statutory deadlines; and
6. requires an AGAR and audit action tracker to be reported to each Finance and General Purposes Committee meeting until all actions are complete.

## 6. Suggested explanation for "No" responses

Where the Council answers "No" to an Annual Governance Statement assertion, a brief explanation should accompany the AGAR. The wording below may be adapted for inclusion as a separate explanatory sheet.

Assertion	Suggested explanation and corrective action
1	The Council identified weaknesses in budget monitoring and reserve management during 2025/26. The Council required an early release of £120,000 from the 2026/27 precept to meet existing obligations. Corrective action: financial recovery plan, monthly budget monitoring, reserves strategy and more robust scrutiny by Finance and General Purposes Committee.
2	The Council identified weaknesses in its internal control framework, including out-of-date Financial Regulations and Standing Orders, absence of an Internal Controls Policy and Scheme of Delegation, and VAT matters requiring specialist advice. Corrective action: review and adopt updated governance documents, obtain VAT advice and implement a formal internal controls checklist.
3	The Council identified gaps in compliance with procurement, contract publication and transparency requirements. Corrective action: create Contracts/Tenders and Transparency pages, publish missing information, update governance documents for current legislation and maintain a statutory compliance tracker.
7	The Council acknowledges that previous audit concerns regarding the adequacy of the General Reserve were not sufficiently resolved during the year. Corrective action: audit action tracker, assigned action owners, target dates and regular monitoring by Finance and General Purposes Committee.

## 7. Immediate action plan

Area	Action	Lead	Timing
Finance recovery	Adopt a financial recovery plan showing the 2026/27 impact of the £120,000 precept received early and how General Reserve will be rebuilt.	Full Council / F&GP	Immediate and monthly
Budget monitoring	Report budget against actuals, bank reconciliation, cashflow and reserves to each F&GP meeting, with exception reporting to Full Council.	RFO / Clerk	Monthly
Reserves	Adopt a Reserves Policy with target General Reserve and Earmarked Reserves for key assets and liabilities.	RFO / Full Council	Within 3 months
Core governance documents	Update Standing Orders and Financial Regulations and adopt an Internal Controls Policy and Scheme of Delegation.	Clerk / F&GP	Urgent
VAT	Obtain specialist VAT advice on cafe income, hall hire, open space hire, partial exemption and any required corrections.	RFO	Urgent
Transparency	Create a Transparency Page and publish missing procurement, contract, senior salary, pay multiple and fraud information.	Clerk / Office	Within 1 month
Accessibility	Update the Accessibility Statement and instruct the web provider to address WCAG 2.2 AA issues.	Clerk / Web provider	Within 2 months
Audit tracker	Maintain a live tracker of all internal and external audit recommendations with owners, target dates and status.	Clerk / RFO	Every F&GP meeting

## 8. Conclusion

The Council should approach the Annual Governance Statement openly and with a clear audit trail. The internal audit does not prevent the AGAR from being approved; rather, it provides the evidence needed for Members to make informed and transparent responses. The key governance safeguard is to answer "No" where material weaknesses existed, explain why, and adopt a clear plan to correct them.

The recommended approach in this report is therefore to approve the Annual Governance Statement with "No" responses for assertions 1, 2, 3 and 7, "Yes" responses for assertions 4, 5, 6, 8 and 10, and "Not Applicable" for assertion 9, subject to the final decision of Full Council.





Section 2 – Accounting Statements 2025/26 for

**AGENDA ITEM**  
TC 18-6-26

**SWANSCOMBE AND GREENHITHE TOWN COUNCIL**

	Year ending		Notes and guidance
	31 March 2025 £	31 March 2026 £	
1. Balances brought forward	193,954.52	74,702.48	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	440,713.00	590,622.00	Total amount of precept (or for IDBs rates and levies) received or receivable in the year. Exclude any grants received.
3. (+) Total other receipts	263,771.28	226,689.53	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	378,465.07	407,462.31	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	0.00	0.00	Total expenditure or payments of capital and interest made during the year on the authority's borrowings (if any).
6. (-) All other payments	445,271.25	372,784.85	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	74,702.48	111,766.85	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	62,731.01	96,173.85	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	0.00	0.00	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	0.00	0.00	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

24/04/2026

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

18/06/2026

as recorded in minute reference:

73 / 26 - 27

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



**Swanscombe and Greenhithe Town Council**  
**ANNUAL RETURN - Section 2 : Statement of Accounts**

**Explanation of variances**

This is prepared based on information in "Governance and Accountability for Local Councils : a Practitioner's Guide"

Important note: These figures have been prepared on an INCOME and EXPENDITURE basis.

Box No.	Description	31/03/2025 £	31/03/2026 £	Variance £	Variance %	Explanation Required?	Notes
1	Balances brought fwd	193954.52	74702.48				BALANCE B/F AGREES
2	Annual precept	440713.00	590622.00	149909.00	34%	Yes	Precept increased due to rise in costs and to offset PY loss.
3	Total other receipts	263771.28	226689.53	-37081.75	14%	No	
4	Staff Costs	378465.07	407462.31	28997.24	8%	No	
5	Loan interest/capital repayments	0.00	0.00	0.00	0%	No	
6	Total other payments	445271.25	372784.85	-72486.40	16%	Yes	Payments increased due to increase in wages and projects.
7	Balances carried forward	74702.48	111766.85	37064.37	50%	Yes	Early receipt of 26-27 Precept
8	Total Cash and Short Term Investments	62731.01	96173.85	33442.84	53%	Yes	Early receipt of 26-27 Precept
9	Total Fixed Assets and Long Term Investments	0.00	0.00	0.00	0%	No	
10	Total Borrowings	0.00	0.00	0.00	0%	No	

This report is intended as a guide to the variances you may need to explain. The specific requirements vary between external auditors so please check the requirements shown on the pro forma provided to your council

Please note a breakdown of approved reserves will also be required if the total reserves (Box 7) figure is more than twice the annual precept value (Box 2)