Annual Internal Audit Report 2025/26

SEVENOAKS TOWN COUNCIL

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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.	✓		
	Yes	**No**	**Not applicable**
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: 08/09/2025 12/01/2026 29/05/2026

Name of person who carried out the internal audit: A Beams, Mulberry LAS Ltd

Signature of person who carried out the internal audit

Date 29/05/2026

***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:

SEVENOAKS 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	Agreed – No*	*'Yes' means that this authority:*
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.*
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.*

	Yes	No	N/A	
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.			✓	*has met all of its responsibilities where, as a body corporate, it is a sole managing trustee of a local trust or trusts.*

***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:

08/06/2026

and recorded as minute reference:

151.2(2)

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

Chair

Clerk

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Section 2 – Accounting Statements 2025/26 for

SEVENOAKS TOWN COUNCIL

	Year ending		Notes and guidance
	31 March 2025 £	31 March 2026 £	*Please round all figures to nearest £1. Do not leave any boxes blank and report £0 or Nil balances. All figures **must** agree to underlying financial records.*
1. Balances brought forward	1,656,321	1,439,458	*Total balances and reserves at the beginning of the year as recorded in the financial records. Value **must** agree to Box 7 of previous year.*
2. (+) Precept or Rates and Levies	1,437,614	1,545,147	*Total amount of precept (or for IDBs rates and levies) received or receivable in the year. Exclude any grants received.*
3. (+) Total other receipts	932,098	2,956,711	*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	1,188,510	1,235,043	*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	71,602	71,602	*Total expenditure or payments of capital and interest made during the year on the authority's borrowings (if any).*
6. (-) All other payments	1,326,463	2,326,486	*Total expenditure or payments as recorded in the cash-book less staff costs (line 4) and loan interest/capital repayments (line 5).*
7. (=) Balances carried forward	1,439,458	2,308,185	*Total balances and reserves at the end of the year. **must** equal (1+2+3) - (4+5+6).*

8. Total value of cash and short term investments	1,447,135	2,331,727	*The sum of all current and deposit bank accounts, cash holdings and short term investments held as at 31 March – **To agree with bank reconciliation.***
9. Total fixed assets plus long term investments and assets	11,033,336	10,859,029	*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	1,149,327	1,100,697	*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.

CWacuson

Date 05/06/2026

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

08/06/2026

as recorded in minute reference:

151.2(1)

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

Section 3 – External Auditor's Report and Certificate 2025/26

In respect of ENTER NAME OF AUTHORITY

1 Respective responsibilities of the auditor and the authority

Our responsibility as auditors to complete a **limited assurance review** is set out by the National Audit Office (NAO). A limited assurance review is **not a full statutory audit,** it does not constitute an audit carried out in accordance with International Standards on Auditing (UK & Ireland) and hence it **does not** provide the same level of assurance that such an audit would. The UK Government has determined that a lower level of assurance than that provided by a full statutory audit is appropriate for those local public bodies with the lowest levels of spending.

Under a limited assurance review, the auditor is responsible for reviewing Sections 1 and 2 of the Annual Governance and Accountability Return in accordance with NAO Auditor Guidance Note 02 (AGN 02) as issued by the NAO on behalf of the Comptroller and Auditor General. AGN 02 is available from the NAO website – https://www.nao.org.uk/code-audit-practice/guidance-and-information-for-auditors/ .

This authority is responsible for ensuring that its financial management is adequate and effective and that it has a sound system of internal control. The authority prepares an Annual Governance and Accountability Return in accordance with *Proper Practices* which:

- summarises the accounting records for the year ended 31 March 2026 and
- confirms and provides assurance on those matters that are relevant to our duties and responsibilities as external auditors.

2 External auditor's limited assurance opinion 2025/26

(Except for the matters reported below)* on the basis of our review of Sections 1 and 2 of the Annual Governance and Accountability Return, in our opinion the information in Sections 1 and 2 of the Annual Governance and Accountability Return is in accordance with Proper Practices and no other matters have come to our attention giving cause for concern that relevant legislation and regulatory requirements have not been met. (*delete as appropriate).

(continue on a separate sheet if required)

Other matters not affecting our opinion which we draw to the attention of the authority:

(continue on a separate sheet if required)

3 External auditor certificate 2025/26

We certify/do not certify* that we have completed our review of Sections 1 and 2 of the Annual Governance and Accountability Return, and discharged our responsibilities under the Local Audit and Accountability Act 2014, for the year ended 31 March 2026

*We do not certify completion because:

External Auditor Name

ENTER NAME OF EXTERNAL AUDITOR

External Auditor Signature SIGNATURE REQUIRED Date DD/MM/YYYY forvis mazars

Attachment 1.1 - Bank Reconciliation - Year ended 31 March 2026

Guidance per the Practitioner's Guide 2025 (selected)

Point 1.10 - *"Statements reconciling each of the authority's bank accounts with its accounting records need to be prepared on a regular basis, including at the financial year-end and reviewed by members of the authority".*

Point 5.20 - *"The year-end bank reconciliation is a key financial control as it will provide evidence to support the total cash and short-term investments balance shown in Line 8 in Section 2 of the authority's AGAR. As bank statements may be made up to different dates in the month, care should be taken, particularly at year-end, to ensure that the statement being reconciled includes balances as at 31 March".*

Point 5.175 - *"Where an authority holds short-term investments such as deposit or savings accounts, all year-end balances must be reported in detail within the bank reconciliation and be included in the sum of line 8".* For more information on short-term investments, please see point 2.23 of the Practitioner's Guide 2025.

Instructions for completing this template

1. Please fill in the figure from the Annual Governance and Accountability Return (AGAR) for the Box 8 Cash and Cash Equivalents balance.
2. Complete the relevant sections to disclose the value of any cash held at bank accounts, any other cash amounts e.g., petty cash, any unbanked cash and any unpresented cheques. Each section includes a total and this will feed into a Net Balances figure towards the
3. The final row calculates a difference between the Box 8 value per the AGAR and the adjusted bank balance at 31 March 2026. This should be NIL (or round to nil) for the balance to be satisfactorily reconciled.

NB: If the authority has either total income (Boxes 2+3) or total expenditure (boxes 4+5+6) above £500,000, the authority must provide a copy of the bank statement(s) showing the value of the bank account(s) at 31 March 2026 to support the figures per this template.

260,672.30

Box 8 Cash and Cash Equivalents	2,331,727.00

Bank Statement Balances	
Natwest Current accounts(Liquidity Account)	191,945.31
Natwest Current Account	2,500.00
Natwest payroll account	1,000.00
Natwest Investment (Direct Reserve)	38,010.22
Virginmoney current account	1.00
Virginmoney 90 day notice	7,742.09
HSBC Deposit Bond	53,477.96
Handelsbanken Investment	173.34
Handelsbanken Notice account	1,720.02
Nationwide Instant Saver	2,834.53
Mayors Charity Account	15,308.07
House in the Basement Youth Café	1,000.00
Sevenoaks Town Partnership	10,448.60
Nationwide Sevenoaks Funds	20.92
Insignis Platform Ear Marked Fees	1,568.30
Investec (3 Month Fixed)	387,152.23
HSBC Tracker (31 Day Notice)	270,315.70
CCLA	830,000.00
Standard Chartered (6 Months Fixed)	516,048.97
Total Cash at Bank	2,331,267.26

Additional Balances e.g., petty cash, short-term investments	
Petty Cash	460.10
Total Additional Cash Balances	460.10

Total Balances at 31 March 2026	2,331,727.36	*calculated figure*

ADD unbanked cash	
Total Unbanked Cash	0.00

LESS unpresented cheques	
Total Unpresented Cheques	0.00

Net Balances at 31 March 2026	2,331,727.36	*calculated figure*
Difference	-0.36	*calculated figure*

forvis mazars

Statement of Variances - Year ended 31 March 2026

Instructions for completing this template:

1. Enter figures per the AGAR in the cells highlighted in light blue. This will automatically calculate a difference and a percentage change between years.
2. If the variance is within 15%, no explanation is required (except fixed assets). However, if it is outside this threshold, the percentage difference will highlight in yellow and an explanation is required.
3. Explanations should be entered in the 'Item' column within each section, quantified as appropriate. This will automatically calculate the remaining difference and the percentage unexplained. There is additional space in the 'Additional comments/explanations' column, where a more detail explanation can be provided for the movement between years.
4. Once a sufficient explanation has been given to bring the percentage within 15% between years, the percentage difference cell will highlight as 'green' in the 'explained' line.

Please note that for fixed assets, regardless of the percentage change in the figure, an explanation is required for the movement.

Item	2024-25	2025-26	Difference	%	Additional comments / explanations
Box 2: Precept or Rates and levies	1,437,614.00	1,545,147.00	107,533.00	7.5%	
			0.00		There are two new members of staff - Facilities Manager - £25k and Outside Spaces operative also at £25k.
			0.00		
			0.00		
			0.00		
			0.00		
Box 2: Precept or Rates and levies (explained)			107,533.00	7.5%	No further explanation needed
Box 3: Total other receipts	932,098.00	2,956,711.00	2,024,613.00	217.2%	
		560,347.00	560,347.00		Grants received for the Greatness Pavilion build made up from Football Foundation, Premer League Stadium Fund, Sevenoaks Town Football Club
		787,500.00	787,500.00		Additional CIL monies received from District Council for the Greatness Pavilion build.
		351,146.00	351,146.00		Final payment for all outstanding monies from the principal authority regarding the monies owed from them to the Town Council on the historic sale of Quaker Hall allotments.
		76,996.00	76,996.00		Community Bus grant from Kent County Council
		20,000.00	20,000.00		Grant from Sevenoaks District Count towards a solar battery for the community centre.
		200,000.00	200,000.00		Additional CIL income in comparison to last year.
			0.00		
Box 3: Total other receipts (explained)			28,624.00	3.1%	No further explanation needed
Box 4: Staff costs	1,188,510.00	1,235,043.00	46,533.00	3.9%	
			0.00		
			0.00		
			0.00		
			0.00		
			0.00		
Box 4: Staff costs (explained)			46,533.00	3.9%	No further explanation needed
Box 5: Loan interest/capital repayments	71,602.00	71,602.00	0.00	0.0%	
			0.00		
			0.00		

			0.00		
			0.00		
			0.00		
Box 5: Loan interest/capital repayments (explained)			0.00	0.0%	No further explanation needed

Box 6: Other payments	1,326,463.00	2,326,486.00	1,000,023.00	75.4%	
		1,121,457.00	1,121,457.00		Paid to the contractor who is building Greatness Pavilion - due to be ready September 2026
			0.00		
			0.00		
			0.00		
			0.00		
Box 6: Other payments (explained)			-121,434.00	-9.2%	No further explanation needed

Guidance: please consider any movements in other payments and whether these may impact the movement in fixed assets in Box 9 below.

Box 9: Fixed assets plus long-term investments	11,033,336.00	10,859,029.07	-174,306.93	-1.6%	
		163,842.58	163,842.58		Assets Acquired
		27,000.00	27,000.00		works undertaken to car park
		-337,165.57	-337,165.57		District Council paid off compensation from selling allotment land
		-27,983.94	-27,983.94		Disposals
			0.00		
Box 9: Fixed assets plus long-term investments (explained)			0.00	0.0%	Further explanation needed

Box 10: Total borrowings	1,149,327.00	1,100,697.00	-48,630.00	-4.2%	
			0.00		
			0.00		
			0.00		
			0.00		
			0.00		
Box 10: Total borrowings (explained)			-48,630.00	-4.2%	No further explanation needed

Attachment 1.3 - Reconciliation of Boxes 7 and 8 - Year ended 31 March 2026

Guidance per the Practitioner's Guide 2025

Point 5.172 - *"Where an authority prepares its accounts on the I&E basis, the balance sheet total of reserves will not match the bank reconciliation due to debtors, prepayments, creditors and accruals".*

Point 5.173 - *"A reconciliation between lines 7 and 8 should be prepared that will always agree to the accounting records".*

Instructions for completing this template

1. Please fill in the figures from the Annual Governance and Accountability Return (AGAR) for the Box 7 Balances carried forward and the Box 8 Cash and Cash Equivalents balances.
2. Complete the sections as shown for any trade debtors, prepayments, trade creditors or receipts in advance. Totals will be displayed for each section, including the total additions/deductions to feed into the reconciliation of the figures for Boxes 7 and 8.
3. The Reconciliation table at the bottom of the sheet will calculate any difference between the adjusted Box 7 and the Box 8 balances. This difference must be nil (or rounds to nil) for the reconciliation to be complete.

Box 7 Balances carried forward	2,308,185.14	
Debtors		
Debtors	13,770.27	
SCC Booking Debtors	41,503.00	
VAT Control	121,023.01	
Allotment Ledger	247.55	
Total Debtors	176,543.83	
Payments made in advance / prepayments		
Prepayments	27,855.45	
Stock	1,710.93	
Total Prepayments	29,566.38	
Total deductions	206,110.21	*calculated figure*
Creditors		
Creditors	52,531.73	
Misc Creditors	1,123.00	
Accruals	102,862.37	
Total Creditors	156,517.10	
Receipts in Advance		
Receipts in Advance	52,041.14	
Receipts in Advance - Cemetery	3,689.97	
Damage Deposit	9,328.11	
Key Deposit	559.61	
QH Allotment Key Deposit	6,700.00	
BV Allotment Key Deposit	816.50	
Total Receipts in Advance	73,135.33	
Total additions	229,652.43	*calculated figure*
Reconciliation of Boxes 7 and 8		
Recalculated Value for Box 8	2,331,727.36	
Box 8 Cash and Cash Equivalents		
Difference	2,331,727.36	

Attachment 1.4 - Earmarked Reserves - Year ended 31 March 2026

Guidance per the Practitioner's Guide 2025

Point 1.13 - *"The authority needs to have regard to the need to put in place a General Reserve Policy and have reviewed the level and purpose of all Earmarked Reserves"*

Point 5.208 - *"As authorities have no legal powers to hold revenue reserves other than those for reasonable working capital needs, or for specifically earmarked purposes, whenever an authority's year-end general reserve is less than three months or more than twelve months of net revenue expenditure an explanation should be provided to the external auditor".*

Instructions for completing this template

1. Please populate the Annual Governance and Accountability Return (AGAR) figures for the total current year expenditure i.e., Boxes 4, 5 and 6.
2. The template will calculate the total value of revenue expenditure incurred in the period (which is the upper limit for the value of unearmarked/general reserves).
3. Please enter the value of balances carried forward (Box 7) for the level of general reserves held by the authority. A warning will appear if an explanation is required regarding the level of reserves held.
4. Please outline any earmarked reserves the authority hold in the 'Earmarked Reserves' section. Once a sufficient explanation is provided, this will be shown as 'Yes' in the 'Explanation sufficient?' line.

Annual Governance and Accountability Return (AGAR)	2025-26
Box 4 Staff Costs	1,235,043.00
Box 5 Loan interest/capital repayments	71,602.00
Box 6 Other payments	2,327,352.00
Total Revenue Expenditure	**3,633,997.00**

Box 7 Balances carried forward	2,308,185.00

Explanation required?	No

Earmarked Reserves	
Temp Staff Reserve	4,000.00
Youth Council Reserve	1,226.70
Council Office Reserve	1,547.63
Pension Reserve	2,814.23
Rolling Capital Reserve	54,909.40
Street Lighting Reserve	10,723.26
Stag Winding Up Reserve	13,000.00
Planning Fees Reserve	2,500.00
Youth Activities Reserve	4,781.25
Development Fund 2025/26	6,567.83
Non Annual Commitment Reserve	14,700.00
Staff Training Reserve	3,890.00
20 mph Reserve	21,489.00
Energy Saving - TC Offices	5,206.59
Greatness Pavilion Project	404,813.48
Capital Receipts Quaker Hall	45,860.17
Capital Receipts Reserve	723,047.60
Vehicle/ Machinery Replacement	61,616.00
B&B Centre Maintenance Reserve	10,578.00
CIL Ear Marked reserve	308,001.13
No 8 Bus Reserve	56,932.43
Mayors Charity Reserve	6,442.68
Mayors Regalia Reserve	4,670.99
Total Earmarked Reserves	**1,769,318.37**

Unearmarked / General Reserves	538,866.63

Explanation sufficient?	Yes