



**Clun Town Council
with Chapel Lawn**

Addendum to Section 1 of the AGAR 2025/26

The Council accepts that it has failed to meet a number of its obligations in respect of having a sound system of internal control in place to support preparation of the Accounting Statement. While these failings are undoubtedly the direct result of the previous Clerk not having met his obligations to the Council in the role of Proper Officer and Responsible Financial Officer, the Council accepts that it did not exercise adequate oversight of the work of the Clerk; that it needs to put in place and execute a recovery plan; and also that it needs to make significant changes to how it assures itself in future, independent of any assurances that it may receive from officers, that it is meeting its statutory duties in this respect.

Assertion	Explanation and Response
2	<p>Although it had Standing Orders and Financial Regulations in place, the Council acknowledges that the operating practices contained therein, particularly with regard to financial matters, were not being faithfully followed. The documents themselves were also out-of-date.</p> <p>Invoices were not regularly being presented to and checked by councillors charged with signing off payments.</p> <p>VAT Claims for the years 2023/24, 2024/25 and 2025/26 had not been made.</p> <p>Formal contracts with key suppliers, protecting the interests of the Council, had either not been produced or were not kept on file.</p> <p>Budget Reconciliations were not presented to and reviewed by the Council.</p> <p>There was no effective oversight of payroll arrangements.</p> <p>Response</p> <p>A Finance Committee was established by resolution at the Council meeting of 2nd June 2026. This committee will henceforth conduct quarterly inspections of the Council's financial affairs and operating practices to ensure that, in future, agreed practices are actually being followed. It will report back to Council on its findings and has delegated authority to impose additional controls and/or to require the Clerk/RFO to take corrective actions.</p> <p>Revised Standing Orders and Financial Regulations, based on NALC models, were produced and adopted at the Council meeting of 2nd June 2026.</p>

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Assertion	Explanation and Response
4	<p>The statutory requirements to published information on the Council's website in a timely manner were not met. The AGAR was not approved prior to the Notice of Public Rights being signed and published; and the AGAR and the Notice were not published on the Council's website the day before the public rights period commenced.</p> <p>Response The Finance Committee will in future have oversight of these matters and is required to report back to Council at its July and October meetings that the requirements have been met.</p>
5	<p>The Risk Register is significantly out-of-date. There are council assets that are not listed in the Register; and the reinstatement valuations for many of those assets that are listed has not been reviewed or updated for many years. While insurance cover was in place, this was based on the out-of-date Risk Register.</p> <p>Response The risks faced by Council, together with the actions being taken to mitigate them, will be fully re-assessed with a target of having a new Risk Register written and adopted by October 2026.</p>
7	<p>The Internal Audit Report for 2024/25 was not presented to or reviewed and accepted by the Council; and no action plan responding to it was produced or executed in respect of the matters raised.</p> <p>Response A detailed response to the 2025/26 Internal Audit Report, including planned actions, has been produced and the Council has either already made or has committed to make changes to its practices to address the issues raised.</p>
9	<p>The Council failed to meet in its capacity as the Sole Trustee of the Clun Recreation Trust. It also did not open a new bank account for the Trust when the previous one was closed, albeit that the Trust's funds were separately identified in the Council's accounts and treated as a debt in line with the <i>Practitioners' Guide</i>. No returns for the Trust have been submitted to the Charity Commission for two years.</p> <p>Response The Council has committed to opening a new bank account for the Trust and depositing the funds that it is holding into the account; and to making good the missing Charity Commission returns. There will also now be an annual meeting of the Trust in September.</p>
10	<p>The Council did not take action to ensure that it was meeting the new Assertion 10 requirements (mandatory or best practice) contained in the Practitioners' Guide 2025/26, including: having an IT Policy; having an up-to-date Accessibility Statement; having in place and operating controls to protect personal data; having an up-to-date FOI Publication Scheme.</p> <p>Response As part of its formal response to the Internal Audit Report, the Council has committed to a plan to address these shortcomings before the end of 2026/27.</p>