

BLYTH TOWN COUNCIL

Governance Committee

Tuesday 6 October 2026

AGAR & Armed Forces Covenant

Information

1. Annual Governance and Accountability Return 2025-26

The conclusion of Audit states that *'The Council has not fully implemented recommendations made in 2024/25 external audit reports. The Council incorrectly answered "Yes*" to assertion 7 in the 2025/26 Annual Governance Statement. claiming it has taken appropriate action in respect of audit reports. but the original submission included trust fund transactions within the Accounting Statements so the prior year external audit recommendation had not been addressed. In future, the Council should ensure that appropriate action in response to audit recommendations is taken within a reasonable time'.*

Officers disagree with the approach taken by the External Auditor.

Amending the accounting statements so that they present the position as though the charitable trust funds had not been held within the Town Council's accounts would create a discrepancy between the published accounting statements and the Council's actual bank balances. In our view, this would not provide a transparent or accurate representation of the financial position at the year end.

The issue was identified by officers, who recognised that the charitable trust funds should not have been included within the Town Council's accounts. The relevant box was therefore ticked so the council could disclose this position through the accounting and reporting process.

We consider it important that the accounts and associated disclosures provide a clear and transparent audit trail of the position that actually existed at the year end, rather than retrospectively presenting the accounts as though the funds had not been held within the Council's bank accounts. Any correction should therefore address the accounting treatment while retaining sufficient disclosure to ensure that the published accounts remain consistent with the underlying financial records and bank statements.

We have followed the recommended guidance restating the previous year although for transparency we are providing this explanation.

2. Armed Forces Covenant

The Armed Forces Covenant is a commitment to ensure that serving and former members of the Armed Forces, and their families, are treated fairly and are not disadvantaged because of their service.

Blyth Town Council signed its Armed Forces Covenant pledge in May 2025. A copy is attached at Appendix 1.

Officers are undertaking a review of the Council's existing pledge to establish the extent to which each commitment is being implemented.

The review will consider actions taken, supporting evidence, responsibility for delivery, and any areas requiring further work. It will not amend or replace the existing pledge.

The findings, together with an action plan for any identified areas requiring further work, will be reported to the Governance Committee.

Officers Report 29 September 2026

The contents are intended for information only. Should any member have questions or want further information about the items, please contact the Town Clerk and Deputy Town Clerk in the first instance.