

Annual Governance and Accountability Return 2025/26 Form 2PM

ONLY to be completed on behalf of PARISH MEETINGS OF PARISHES NOT HAVING PARISH COUNCILS, where the higher of gross income or gross expenditure was £25,000 or less, that meet the qualifying criteria, and that wish to CERTIFY themselves as EXEMPT from a limited assurance review.

Guidance notes for Parish Meetings on completing Form 2PM of the Annual Governance and Accountability Return 2025/26 that have financial transactions

1. Every Parish Meeting in England where the higher of all gross income **or** gross expenditure was £25,000 or less **must**, after the end of each financial year, complete Form 2PM of the Annual Governance and Accountability Return in accordance with *Proper Practices*, unless the Parish Meeting:
 - a) does not meet the qualifying criteria for exemption; or
 - b) does not wish to certify itself as exempt
2. Parish Meetings where the higher of all gross annual income **or** gross annual expenditure **does not exceed** £25,000 and that meet the qualifying criteria as set out in the Certificate of Exemption **are able to declare themselves exempt** from sending the completed Annual Governance and Accountability Return to the external auditor for a limited assurance review **provided** that the Parish Meeting **completes**:
 - a) The **Certificate of Exemption**, page 3 and returns a copy of it to the external auditor **either** by email **or** by post (not both) **no later than 30 June 2026** Failure to do so will result in reminder letter(s) for which the Parish Meeting will be charged £40 +VAT for each letter; and
 - b) The **Annual Governance and Accountability Return (Form 2PM)** which is made up of:
 - c) **Annual Internal Audit Report (page 4)** **must** be completed by the Parish Meeting's internal auditor.
 - d) **Section 1 – Annual Governance Statement (page 5)** **must** be completed and approved by the Parish Meeting.
 - e) **Section 2 – Accounting Statements (page 6)** **must** be completed and approved by the Parish Meeting.

NOTE: Parish Meetings certifying themselves as exempt SHOULD NOT send the completed Annual Governance and Accountability Return to the external auditor.
3. The Parish Meeting **must** approve Section 1 Annual Governance Statement before approving Section 2 Accounting Statements and both **must** be approved and published on a suitable website or be displayed in the local area **before 1 July 2026**

Publication Requirements

Parish Meetings **must** publish on a suitable website or display in the local area various documents as required by the Accounts and Audit Regulations 2015, and the Local Audit (Smaller Authorities) Regulations 2015.

Parish Meetings without a website **must** display the documents in the local area for 14 days. These include:

- **Certificate of Exemption**, page 3
- **Section 1 – Annual Governance Statement 2025/26** page 5
- **Section 2 – Accounting Statements 2025/26** page 6
- Notice of the period for the exercise of public rights and other information required by Regulation 15 (2), Accounts and Audit Regulations 2015.

Limited Assurance Review

Any Parish Meeting may request a limited assurance review. If so, the Parish Meeting should not certify itself as exempt or complete the Certificate of Exemption. Instead it should complete Form 3PM of the AGAR 2025/26 and return it to the external auditor together with the supporting documentation requested by the external auditor. The cost to the Parish Meeting for the review will be **£210 +VAT**.

Provided that the Parish Meeting certifies itself as exempt, and completes and publishes the documents listed under 'Publication Requirements', there is **no** requirement for the Parish Meeting to have a review.

If it decides to certify itself as exempt, the Parish Meeting must complete and return the Certificate of Exemption on Page 3 to the external auditor to confirm that it has certified itself exempt.

Guidance notes for Parish Meetings on completing **Form 2PM** of the Annual Governance and Accountability Return (AGAR) 2025/26, Sections 1 and 2

- A Parish Meeting that wishes to declare itself exempt from the requirement for a limited assurance review **must** do so at a meeting held between **1 April and 30 June 2026** It should not submit its AGAR to the external auditor.
- The Certificate of Exemption should be returned to the external auditor **no later than 30 June 2026** Reminder letters will incur a charge of £40 +VAT.
- The Parish Meeting **must** comply with *Proper Practices* in completing Sections 1 and 2 of its AGAR and the Certificate of Exemption. 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.
- The Parish Meeting **should** receive and note the Annual Internal Audit Report before approving the Annual Governance Statement and the accounts.
- 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 Chair **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 Chair 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.
- Make sure that the AGAR is complete (no highlighted boxes left empty), and is properly signed and dated. Avoid making amendments to the completed annual return. Any amendments **must** be approved by the Parish Meeting and properly initialled.
- Use the checklist provided below to review the AGAR for completeness at the meeting at which it is signed off.
- **You must inform your external auditor about any change of Chair, and provide a relevant email address and telephone number.**
- The Parish Meeting **must** publish numerical and narrative explanations for significant variances in the accounting statements on **page 6**. Guidance is provided in the *Practitioners' Guide** which may assist.
- Make sure that the accounting statements add up and 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 Chair, on behalf of the Parish Meeting, **must** set the commencement date for the exercise of public rights for 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 Parish Meeting **must** publish on a suitable website or publicly display in the local area 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 been completed?	✓	
	Have the dates set for the period for the exercise of public rights been published?	✓	
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', is an explanation available for publication?	✓	
Section 2	Has the Chair signed the accounting statements before presentation to the authority for approval?	✓	
	Has the Parish Meeting'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?	✓	
	Is an explanation of any difference between Box 7 and Box 8 available, should a question be raised by a local elector and/or an interested party?	✓	

**Governance and Accountability for Smaller Authorities in England – a Practitioners' Guide to Proper Practices*, can be downloaded from www.nalc.gov.uk