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22 May, 2024

**The Town Clerk**

**Weymouth Town Council**

**Council Offices**

**Commercial Road**

**Weymouth**

**Dorset**

**DT4 8NG**

Dear Jane

**Final Internal Audit Report**

**Weymouth Town Council – April 2023 – March 2024**

The Accounts and Audit (England) Regulations 2015 (as amended) require all Town and Parish Councils to undertake an effective internal audit to evaluate the effectiveness of their risk management, control and governance processes, taking into account public sector internal auditing standards or guidance.

We confirm that we are independent of the Council.

The internal audit work to be carried out has been planned to enable us to give our opinion on the control objectives set out in the Annual Internal Auditor’s Report on the 2023-24 Annual Governance and Accountability Return (AGAR).

We have complied with the legal requirements and proper practices set out in:

- ‘Governance and Accountability for Local Councils – A Practitioners’ Guide (England)’ 2023
- The Accounts and Audit (England) Regulations 2015 (as amended).

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### **Background**

Weymouth Town Council had income and expenditure in 2022/2023 of between £4,000,000 and £5,000,000 and is subject to review by the External Auditor, BDO.

The completed Annual Accountability and Governance Return 2022/2023 conclusion notice, and certificate was returned on 27 September 2023.

The Council had a clean annual report from the external auditor for 2022-23.

The Council is not a sole managing trustee.

It is good practice for the Council to comply with the Local Government Transparency Code 2015.

The Council's accounting records are maintained on Access Software

A first interim visit was arranged with the Deputy Town Clerk on Tuesday 30 January 2024. A meeting was held to discuss the progress that has been made by the Town Council in 2023/2024 and to confirm the internal audit testing to be carried out. Compliance and substantive testing of records was undertaken on the day.

A final internal audit review was agreed to be carried with the Deputy Town Clerk on Tuesday 21 May 2024.

Further confirmation has been obtained of good practice and compliance with the Transparency Code Regulation 2015 from the Council's Website.

We are also using the information already recorded from the interim visit to complete the internal control objectives on the (AGAR) Internal Audit Report.

Where this is necessary, we will complete the AGAR Annual Internal Audit Report based on evidence already seen from the previous review. This is acceptable practice for the External Auditor.

We continue to report that the Town Clerk provides clear legislative and regulatory requirements for the Town Council.

We recognise the complexities of running such a large Town Council with a budget over £4m to ensure compliance for all areas of Governance and Financial Management. We also recognise the contribution made from the Deputy Town Clerk to ensure the financial stability of the Town Council remains sound.

The smooth transition to the Access software has been noted and this provides a sound and fit for purpose financial management tool to aid clear reporting of both transactional and budget information so Officers can report to members on a regular basis.

We have noted the major project for the Sea Front plan. The strategy was discussed and approved at the full Town Council meeting on 21 February 2024. We further note that other major projects are continuing as work in progress or are planned for 2024.

We have agreed with the Deputy Town Clerk that he is mindful of the need to consider the most appropriate time for long term investment of the Town Council funds He will ensure to secure preferential rates of return but also to ensure the financial security for the Town Council.

***(Audit Note: The Deputy Town Clerk will continue to check the financial markets during 2024-2025 but only consider long term investments when it is felt most appropriate).***

### **Internal audit checks**

We have undertaken a series of audit tests on the Council's financial records, vouchers, documents, Minutes, policies, procedures, and insurance documentation to ascertain the efficiency and effectiveness of the Town Council's internal control framework. This internal audit report is based on the audit testing carried out at the visit.

During the two visits in the year, we checked and sample tested the following:

- Minutes of Council and Committee Meetings
- Policies and Procedures
- Bank and cash
- Investments
- Petty Cash
- Budgetary Management
- Income and Expenditure
- Contract and Lease Arrangements
- Insurance
- Payroll
- VAT claims
- Financial Risk Assessment
- Transparency of the Council website

### **Findings**

Details of good practice noted, our recommendations and other matters to be brought to the Council's attention are set out below.

### **Good practice**

- The Council maintain its books and records on Access software.
- The Council are aware of the requirements of GDPR.
- The Town Clerk is CiLCA qualified.
- The Council is registered with the ICO.
- Details of total payments authorised at meetings are recorded in the Minutes.
- All records were up to date and easy to follow.
- The budgeting process is monitored throughout the year.
- Petty Cash vouchers are confirmed, agreed and approved before reimbursement is made.
- Cash balances were confirmed as accurate.
- The Council complied with Financial Regulations to obtain quotations from suppliers and contractors where appropriate.
- Bank reconciliations are carried out promptly each month and were accurate.
- The Council takes an active scrutiny role.
- VAT claims are made regularly.
- The Insurance is appropriate for the size of the Council. Fidelity Guarantee is set at £5m.
- The Risks of Council have been reviewed and approved for 2023/2024.
- The Assets of the Council have been reviewed and approved for 2023/2024.
- All income records are appropriate and recorded correctly.
- All expenditure items could be traced and are recorded correctly in the financial ledger.
- The requirements of the Transparency Code Regulation 2015 are followed by the Town Council.

**Matters of note brought to the Council's attention from the two visits to the Town Council.**

**Budget 2024/2025**

- The full Town Council did not wish to increase the Precept 2024/2025.
- As the Precept 2024/2025 will not be increased we understand this will be the last year with a 0% increase and that future years there should be a rise in Precept to maintain the current service provision at the Town Council.
- The staffing budget was agreed by the HR Committee prior to the work of the Budget Working Group being undertaken. There has been no decrease in staffing budgets as a direct result of the precept remaining at a 0% increase.
- Savings were achieved through reductions in service budgets and by changing the model in which services are to be provided.

**Investments**

- We agreed that a future investment strategy for the Town Council should be considered whereby the investment return can provide a positive income stream for the Town Council.
- This will need careful consideration in 2024/2025 once the outcome of future work on the Sea Front Master Plan is established and the use of CiL monies to offset works at Tumbledown is completed.

**Financial Risk Assessment**

- The corporate risk register was taken to the Finance and Governance Committee on 04/10/2023 including a risk management update.
- To ensure the requirements of the External Auditors are met the risks of the Council should be reviewed and approved by the full Town Council by the 31 March 2024.  
*(Audit Note: We are pleased to report that the Risk Assessment was considered in February (Finance and Governance 07/2/24 and Full Council 21/02/24).*

**Asset Register**

- The Asset Management Plan was taken to the Finance and Governance Committee on 04/10/2023.
- To ensure the requirement for the External Auditors are met the Asset Register should be reviewed and approved by the full Town Council by the 31 March 2024.
- *(Audit Note: We are pleased to report that the Asset Register was considered in February (Finance and Governance 07/2/24 and Full Council 21/02/24).*

**Insurance**

- The External Auditor requires Insurance details had been recorded in the minutes of the full Town Council to approve that it remained fit for purpose.
- To ensure the requirement for the External Auditors are met the Asset Register should be reviewed and approved by the full Town Council by the 31 March 2024.
- *(Audit Note: We are pleased to report that the Insurance was considered in February (Finance and Governance 07/2/24 and Full Council 21/02/24).*

**St Nicholas Church Grant**

- The minutes of the Finance and Governance Committee 07/06/2023 shows that a grant was approved for £2850.00.
- We agree that the Grant was appropriate to support a project to purchase folding tables, stackable chairs, crockery, glasses and cutlery to use for fundraising events and groups.

### **Sea Front Master Plan.**

- We discussed the approval of the master plan which was presented to Environment and Services Committee on 24/01/2024 and at the full Town Council on 21/02/2024.
- The plan is to have a strategy for the next 10 years. This has now been adopted by the Town Council. We support the need to ensure that a planned approach will be necessary to maintain financial stability and forward planning will be an essential part of the financial security of the strategy going forward.

### **End of Year Procedures 2023/2024**

A full check was carried out on the End of Year documentation provided by the Deputy Town Clerk and Responsible Financial Officer to confirm the accuracy of the details to be submitted to the External Auditor. This also included the validation of any variances of totals over 15% between 2022/23 and 2022/2023 shown on Section 2 of the AGAR as required by the External Auditor.

The 2023/2024 AGAR Internal Audit Report requires the Internal Auditor to check the Council has correctly provided the proper opportunity for the Exercise of Public Rights in accordance with the requirements of the Accounts and Audit Regulations 2023.

This includes the Internal Auditor being shown evidence that the posting of the Notice on the website was done at least one clear day before the 30-working day period begins.

***(Audit Note; We are pleased to report that the Town Council have displayed the Notice correctly to comply with the requirements of the Accounts and Audit Regulations 2015).***

The Annual Internal Audit Report to be submitted to the External Auditor was completed and signed by Tim Light.

### **Assurance statement**

- In our opinion, which is based on the evidence obtained, we can **give assurance** that the internal control systems to manage the risks identified enable the objectives to be achieved as there is proper practice in the areas tested:

It is considered that there is an **appropriate** framework of control in place to manage the risks identified.

### **Next Steps**

This report should be noted and taken to the next meeting of the Town Council.

Tim Light FMAAT  
Internal auditor