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19 May, 2022

**The Town Clerk**

**Weymouth Town Council**

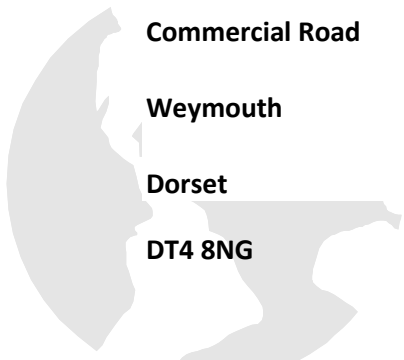
**Council Offices**

**Commercial Road**

**Weymouth**

**Dorset**

**DT4 8NG**



Dear Jane

**Final Internal Audit Report**

**Weymouth Town Council – April 2021 – March 2022**

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 2021-22 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)' 2021
- The Accounts and Audit (England) Regulations 2015 (as amended).

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### **Background**

Weymouth Town Council had income and expenditure in 2020/2021 of between £4,000,000 and £5,000,000 and is subject to review by the External Auditor, PKF Littlejohn.

The completed Annual Accountability and Governance Return 2020/2021 conclusion notice and certificate was returned on Friday 18 September 2021.

The Council had a clean annual report from the external auditor for 2020-21.

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 RBS Omega Software

A first visit was arranged with the Deputy Town Clerk on Tuesday 29 March 2022. A meeting was held with both the Town Clerk and Deputy Town Clerk to confirm the arrangements for the Internal Audit for 2021/2022. Further compliance and substantive testing of records was also undertaken on the day.

We noted that during 2021/2022 the Town Council have carried out a full risk assessment to satisfy the conditions for a Covid 19 secure Office. We also noted that the Office remains closed to the public, but they can meet with staff by appointment.

This has been matched with hybrid working arrangements for staff to ensure that the necessary sufficient resource requirements are available to ensure full functionality throughout the financial year 2021-2022.

During 2021/2022 lobbying by the National Association of Local Council (NALC), Society of Local Council Clerks (SLCC) and other public sector organisations to press the government to provide clear legislation so that Authorities can meet virtually or have a mixture of hybrid arrangements continues to be ongoing.

Currently Councils are having to adapt or be creative to meet face to face so current legislative requirements are met. The Town Clerk has provided clear direction to the Town Council on these requirements to ensure that compliance has been maintained.

The Town Clerk responsibility to provide clear direction on all legislative and regulatory requirements. She should be complimented that these have been maintained during 2021/2022. To ensure compliance for all areas of Governance and Financial Management this should be supported by all Members of the Town Council.

A final internal audit review was agreed to be carried out remotely with the Town Clerk and Deputy Town Clerk on Monday 16 May 2022.

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

As we have undertaken an Interim Internal Audit visit in March 2022, we are also using the information already recorded from this visit to complete the internal control objectives on the (AGAR) Internal Audit Report.

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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.

### **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 reviews 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
- Covid 19 arrangements
- 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 bespoke software (RBS Omega software) **Audit Note: it is noted that the Council intend to use a new software for 2022/2023 (Access).**
- 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 2021/2022.
- The Assets of the Council have been reviewed and approved for 2021/2022.
- All income records are appropriate and recorded correctly ***Audit Note: A sample test of income received from the Beach Cafe; Deck Chair income was carried out.***
- All expenditure items could be traced and are recorded correctly in the financial ledger. ***Audit Note: A sample test of invoices including the recording of information on RBS Omega was undertaken.***
- The requirements of the Transparency Code Regulation 2015 are followed by the Town Council. ***Audit Note: A test check was carried out on website to ensure best practice compliance is maintained.***

### Recommendations

- A review of tolerance levels between the original purchase order and invoice received for payment should be undertaken. A percentage or total sum tolerance level should be agreed and Financial Regulations updated.
- The record of unders and overs from the beach cafe and deck chair income should be formalised. Where under and overs are recorded as part of the daily income, we recommend that these should be signed off by the Managers.

### Other matters of note brought to the Council's attention

- As the Council are using more virtual and online way of receiving and processing data it is suggested that the Council should explore the opportunities to use electronic signatures. The Deputy Town Clerk will be exploring if products are available once the installation of the Access software is operating for 2022/2023.
- Further consideration should be given to check whether the Council would benefit from Cyber Insurance. The Chartered Institute of Internal Auditors has recently raised this as a hot topic. With the move toward electronic automation, it is essential to ensure all the data from the Town is held securely and that the levels of access and authorisation are reviewed regularly. This is particularly important when staff leave the employment of the Town Council.

### End of Year Procedures 2021/2022

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 2020/21 and 2021/2022 shown on Section 2 of the AGAR as required by the External Auditor.

The 2021/2022 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 during 2021/2022.

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 Parish 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.

The Council should decide what action will be taken on the recommendations we have made.

Tim Light FMAAT  
Internal auditor