



Mr I Milne
Weymouth Town Council
The New Town Hall
Commercial Road
Weymouth
Dorset
DT4 8NG

21 January 2025

Dear Ian

Re: Weymouth Town Council
Internal Audit for Financial Year Ended 31 March 2026 – Interim Audit report

Executive summary

Following completion of our interim internal audit on 21 January 2025 we enclose our report for your kind attention and presentation to the council. The audit was conducted in accordance with current practices and guidelines, and testing was risk based. Whilst we have not tested all transactions, our samples have where appropriate covered the entire year to date.

Our report is presented in the same order as the assertions on the internal auditor report within the published Annual Governance and Accountability Return (AGAR). The start of each section details the nature of the assertion to be verified. Testing requirements follow those detailed in the audit plan previously sent to the council, a copy of which is available on request. The report concludes with an opinion as to whether each assertion has been met or not at this point in the year. **Recommendations for action are shown in bold text and are summarised in the table at the end of the report.**

Our sample testing did not uncover any errors or misstatements that require reporting to the external auditor at this time, nor did we identify any significant weaknesses in the internal controls such that public money would be put at risk.

It is clear the council takes governance, policies and procedures seriously and I am pleased to report that overall, the systems and procedures you have in place are fit for purpose and whilst my report may contain recommendations to change these are not indicative of any significant failings, but rather are pointers to improving upon an already well-ordered system.

It is therefore our opinion that the systems and internal procedures at Weymouth Town Council are well established and followed.

Regulation

The Accounts and Audit Regulations 2015 require smaller authorities, each financial year, to conduct a review of the effectiveness of the system of internal control and prepare an annual governance statement in accordance with proper practices in relation to accounts. In addition to this, a smaller authority is required by Regulation 5(1) of the Accounts and Audit Regulations 2015 to “undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance.”

Internal auditing is an independent, objective assurance activity designed to improve an organisation’s operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes. The purpose of internal audit is to review and report to the authority on whether its systems of financial and other internal controls over its activities and operating procedures are effective.

Internal audit’s function is to test and report to the authority on whether its specific system of internal control is adequate and working satisfactorily. The internal audit reports should therefore be made available to all Members to support and inform them when they considering the authority’s approval of the annual governance statement.

Independence and competence

Your audit was conducted by Andy Beams of Mulberry Local Authority Services Ltd, who has over 35 years’ experience in the financial sector with the last 15 years specialising in local government.

Your auditor is independent from the management of the financial controls and procedures of the council and has no conflicts of interest with the audit client, nor do they provide any management or financial assistance to the client.

Engagement Letter and inherent risk assessment

An engagement letter was previously issued to the council covering the 2025/26 internal audit assignment, which includes the scope and plan of works and fee structure. Copies of this document are available on request from anna@mulberrylas.co.uk

In summary, our work will address each of the internal control objectives as stated on the Annual Internal Audit Report of the AGAR.

It is our opinion that the inherent risk of error or misstatement is low, and the controls of the council can be relied upon and as such substantive testing of individual transactions is not required. Testing to be carried out will be “walk through testing” on sample data to encompass the period of the council year under review.

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A. BOOKS OF ACCOUNT

Internal audit requirement

Appropriate accounting records have been kept properly during the year.

Audit findings

This is the first internal audit conducted by mulberry Local Authority Services Ltd, having been appointed by the council at the meeting held on 26 November 2025 (minute ref C0903).

The audit was conducted on site with the Deputy Town Clerk and Business Manager. Overall, I have the impression that accounting records are neatly maintained and easily accessible. Other information was reviewed through discussion with the officers and a review of the council website

www.weymouthtowncouncil.gov.uk

The Town Council was established in 2019 and has quickly grown into one of the largest Town Councils in the country. In 2025/26, the precept raised by the Town Council was the fourth largest in England.

The council has just moved to the Cloudy IT finance system GovFinance, with December 2025 being the first full month of using the accounting package.

The accounting package is updated regularly with transactional information and used to produce management information reports for review at council and committee meetings.

The system requires the population of key data fields to enable the user to record a transaction. The officers using the system have received training, and I reviewed some of the reports with the Business Manager during the interim visit. With the change of system happening part way through the year, some information is retained in the previous accounting system, and I look forward to seeing how the council progresses with the GovFinance package.

B. FINANCE REGULATIONS, GOVERNANCE AND PAYMENTS

Internal audit requirement

This authority complied with its Finance Regulations, payments were supported by invoices, all expenditure was approved, and VAT was appropriately accounted for.

Audit findings

Check the publication and minuting of the prior year audited AGAR and notice of conclusion of audit

The External Auditor's Report for 2024/25 was not qualified and has been published on the council website.

However, the Notice of Conclusion of Audit has not been published and has now missed the statutory publication deadline of 30 September. To complete the 2024/25 audit process, the Notice of Conclusion must be added to the council website as soon as possible.

The External Auditor's report and certificate were reported to the council meeting held on 15 October 2025 (minute ref C08889).

I note the council received and considered the previous internal auditor report at the council meeting held on 25 June 2025 (minute ref C0841).

Confirm by sample testing that councillors sign statutory office forms

I confirmed by sample testing that councillors sign “Acceptance of Office” forms together with a formal acceptance to receive information by electronic means.

The council website includes a councillor page where the individual Register of Members’ Interests forms are published.

Confirm that the council is compliant with GDPR

The council is fully aware of GDPR and has undergone training. It was noted the council has established common email addresses for all councillors. This is recommended because it gives a natural segregation between work and personal lives, making it clear beyond doubt in what capacity a councillor is acting. In addition to this it gives control to the council, adds a degree of professionalism and in the event of a FOI request limits access to personal computers.

The Smaller Authorities Proper Practices Panel (SAPPP) Practitioner’s Guide (March 2025) contains updated guidance on the matter as below, including details of the new Governance Assertion to be included in the 2025/26 AGAR:

Assertion 10 - Digital and data compliance

To warrant a positive response to this assertion, the authority needs to have taken the following actions:

1.47 Email management - Every authority must have a generic email account hosted on an authority owned domain, for example clerk@abcparishcouncil.gov.uk or clerk@abcparishcouncil.org.uk rather than abcparishclerk@gmail.com or abcparishclerk@outlook.com for example.

1.48 All smaller authorities (excluding parish meetings) must meet legal requirements for all existing websites regardless of what domain is being used.

1.49 All websites must meet the [Web Content Accessibility Guidelines 2.2 AA](#) and the [Public Sector Bodies \(Websites and Mobile Applications\) \(No. 2\) Accessibility Regulations 2018](#) (where applicable).

1.50 All websites must include published documentation as specified in the [Freedom of Information Act 2000](#) and the [Transparency Code for Smaller Authorities](#) (where applicable).

1.51 All smaller authorities, including parish meetings, must follow both the [General Data Protection Regulation \(GDPR\) 2016](#) and the [Data Protection Act \(DPA\) 2018](#).

1.52 All smaller authorities, including parish meetings, must process personal data with care and in line with the principles of data protection.

1.53 The [DPA 2018](#) supplements the [GDPR](#) and classifies an authority as both a Data Controller and a Data Processor.

1.54 All smaller authorities (excluding parish meetings) must also have an IT policy. This explains how everyone - clerks, members and other staff - should conduct authority business in a secure and legal way when using IT equipment and software. This relates to the use of authority-owned and personal equipment.

The council has a Privacy Notice, Website Accessibility Statement and FOI Publication Scheme published on its website.

I note the Website Accessibility Statement refers to partial compliance with WCAG 2.1 AA. The current standard is WCAG 2.2 AA, and the website provider should be consulted and the Website Accessibility Statement updated accordingly.

The Deputy Clerk confirmed that the council adopted an IT Policy, based on the NALC template, at the meeting held on 14 January 2026.

Once the council has amended the Website Accessibility Statement and published on the website the adopted IT Policy, the council will meet the requirements of Governance Assertion 10.

Confirm that the council is compliant with the relevant transparency code

As the council's income and expenditure exceeds £25,000, it is not a statutory requirement to follow the requirements of the Local Government Transparency Code, although it is recommended best practice to do so.

I note the council has a Transparency page on its website, although the information is not up to date, and while not a statutory requirement, the council may wish to update the information to provide full transparency for its residents.

Confirm that the council meets regularly throughout the year

In addition to full council, the council has a committee structure in place, with terms of reference published on the council website, along with details of future meeting dates and historic agendas and minutes for meetings.

Check that agendas for meetings are published giving 3 clear days' notice

I was able to confirm that at least 3 clear days' notice is given on agendas. Whilst we have not tested every single committee and council meeting there was no evidence of non-compliance in giving three clear days' notice of the meeting.

I note the council also publishes the non-confidential supporting papers for meetings on the council website with the agendas in accordance with the requirements of the Information Commissioner's Office.

Check the draft minutes of the last meeting(s) are on the council's website

Minutes are uploaded to the council website and clearly annotated as draft where applicable.

Confirm that the Parish Council's Standing Orders have been reviewed within the last 12 months

The Standing Orders are based on the NALC model and were most recently reviewed and adopted by council on 14 May 2025 (minute ref C0828).

The NALC model has been amended to consider the size and structure of the Town Council and includes additional sections and is annexed by a Scheme of Delegation including Terms of Reference for each of the council's committees.

Confirm that the Parish Council has adopted and recently reviewed Financial Regulations

Financial Regulations are based on the current NALC model and were last reviewed and adopted by council on 14 May 2025 (minute ref C0829). The regulations contain provisions for the approval of spending, setting of budgets, reconciliation of the bank and reporting to council.

As with the Standing Orders, the Financial Regulations have been amended to be practical for a council of this financial size and appended to the Financial Regulations are details of the council's Internal Controls, Scheme of Financial Delegation and the duties and responsibilities of the RFO.

Check that the council's Financial Regulations are being routinely followed

The council has thresholds in place at which authorisations to spend must be obtained as below:

- FR 5.1** *Expenditure on revenue items may be authorised up to the amounts included for that class of expenditure in the approved budget. This authority to spend is to be determined by the Scheme of Delegation of Financial Responsibility to Spending Officers (Appendix A).*
- FR 5.2** *No expenditure may be authorised that will exceed the amount provided in the revenue budget that relates to a service budget area, but excluding employee costs, other than by resolution of the Finance and Governance Committee. During the budget year, the RFO, having considered fully the implications for public services, unspent and available amounts may be moved to other budget headings or to an earmarked reserve as appropriate ('virement'). All budget virements exceeding £25,000 will be reported to Finance and Governance Committee for approval.*
- FR 5.3** *In cases of extreme risk to the delivery of Council services, the Town Clerk may authorise revenue expenditure on behalf of the Council which in the Town Clerk's judgement it is strictly necessary where, for reasons of extreme urgency brought about by events unforeseeable by the authority, the time limits for the open or restricted procedures or competitive procedures with negotiation cannot be complied with. For the purposes of this paragraph, the circumstances invoked to justify extreme urgency must not in any event be attributable to the council. Such expenditure includes repair, replacement or other work, whether or not there is any budgetary provision for the expenditure, subject to a limit of £100,000. The Town Clerk shall report such action to the Chairman of the Finance and Governance Committee as soon as possible and to the Finance and Governance Committee as soon as practicable thereafter.*

Based on the level of financial activity of the council, these authorisation thresholds appear appropriate,

The new accounting software package has a facility whereby the authoriser of an invoice is alerted to whether the payment will exceed budget, and this is planned to be made restrictive at that point, ensuring that the proper process is followed for all authorisations.

The council has in place a system to segregate duties in terms of the setting up and subsequent release of payments made via online banking in accordance with the council's adopted Financial Regulations, and has sufficient individuals authorised to complete these steps, minimising the risk of being unable to make payments in a timely fashion.

Confirm the council has adopted the General Power of Competence (GPC) and met the eligibility criteria at the time of adoption, or if GPC not adopted, confirm all section 137 expenditure meets the guidelines and does not exceed the annual per elector limit of £11.10 per elector

The council has confirmed its eligibility and adopted the General Power of Competence (GPC) and the section 137 threshold does not apply.

Check receipt of VAT refund matches last submitted VAT return

The council submits its VAT return monthly. I reviewed the submission for the period ending 30 November 2025 which showed a refund amount due of £18,865.75 and was fully supported by the required details. I was able to confirm receipt of this amount to the council's bank account on 9 December 2025. The council is up to date with its VAT submissions.

Confirm that checks of the accounts are made by a councillor

The system noted above details internal review takes place and I am under no doubt that council properly approves expenditure.

C. RISK MANAGEMENT AND INSURANCE***Internal audit requirement***

This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.

Audit findings

The council's adopted Financial Regulations include a section covering Risk Management and state:

- FR 2.1 The council must ensure that it has a sound system of internal control, which delivers effective financial, operational and risk management.*
- FR 2.2 The Town Clerk shall prepare, for approval by the council, a risk management policy covering all activities of the council. This policy and consequential risk management arrangements shall be reviewed by the council at least annually.*
- FR 2.3 When considering any new activity, the Town Clerk shall prepare a draft risk assessment including risk management proposals for consideration by the council.*
- FR 2.4 At least once a year, the council must review the effectiveness of its system of internal control, before approving the Annual Governance Statement.*

The council has a risk management process in place, which was last reviewed and approved by council in February 2025 and is scheduled for further review in March 2026.

I reviewed the Corporate Risk Register which is available on the council website. This includes a strategic risk register, which identifies each potential risk, analysis the cause of the risk, assesses the likelihood of occurrence, assigns an original risk score, details the control measures in place, additional actions identified, whether those actions were completed, the owner of each risk the current risk score and any relevant insurance cover related to each risk.

The document then provides more detailed analysis of risks to show how the risk level has changed over a period based on the mitigation put in place by the council and comparing it to the target level for each risk.

The document also provides a breakdown of the measures used within it to identify the risk score, based on a risk matrix considering the likelihood and impact of an event occurring.

This is a comprehensive approach and includes analysis of all risks typically associated with a council of this size with its range of services and facilities, and I have no doubt the council takes its risk management responsibilities seriously.

I confirmed that the council has a valid insurance policy in place with Zurich Insurance which covers the year under review. The policy includes Public Liability cover of £15 million, Employers Liability cover of £10 million and a Fidelity Guarantee level of £5 million which is sufficient for a council of this size, although the council is advised to keep this figure under review to ensure it covers the maximum balance held.

D. BUDGET, PRECEPT AND RESERVES

Internal audit requirement

The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.

Audit findings

The council set a precept of £3,899,180 for 2025/26. With a tax base of 19,525.2, this equates to a band D equivalent of £199.70 (compared to the average in England of £92.92).

The Deputy Clerk confirmed that the 2026/27 budget and precept were approved by the council at the meeting held on 14 January 2026.

There is evidence within the minutes of meetings that councillors regularly receive budget reports for review, providing them with sufficient financial information to make informed decisions.

At the date of the interim audit, the council currently held circa £1,600,00 in earmarked reserves, spread across a range of clearly identifiable projects, including amounts received from Community Infrastructure Levy (CIL) which are identified separately.

I checked the purpose of these earmarked reserves with the Business Manager and am satisfied they are all for legitimate future planned projects of the council. I also note that the council review the earmarked reserves as part of the budget setting process annually.

The Smaller Authorities Proper Practices Panel (SAPPP) Practitioner's guide provides updated guidance on the appropriate level of general reserves that councils should retain as below:

5.33 The general reserve of an authority comprises its cash flow and contingency funds to cover unexpected inflation, unforeseen events and unusual circumstances.

5.34 The generally accepted recommendation with regard to the appropriate minimum level of a smaller authority's general reserve is that this should be maintained at between three and twelve months of net revenue expenditure.

5.35 The reason for the wide range is to cater for the large variation in activity level between individual authorities. The smaller the authority, the closer the figure may be to 12 months expenditure, the larger the authority, the nearer to 3 months. In practice, any authority with income and expenditure in excess of £200,000 should plan towards 3 months equivalent general reserve.

5.36 In all of this it is important that each authority adopt, as a general reserve policy, the level appropriate to their size, situation, risks and plan their budget so as to ensure that the adopted level is maintained. Consideration of the minimum level of reserves requires not only consideration of level of income and expenditure but also the risks to that income.

5.37 *Authorities with significant self-generated income (other than the precept or levy) should take into account situations that may lead to a loss in revenue as well as increased costs and adapt their general reserve accordingly.*

A review of the general reserve balance will be conducted at the final internal audit, and the council is advised to follow the recommended guidance in determining an appropriate level.

E. INCOME

Internal audit requirement

Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.

Audit findings

Apart from the precept, the council receives income from a range of sources including rental income from land and property, room hire, wedding income, allotments and cemeteries.

From a review of the accounting records, income appears to be recorded with sufficient narrative detail to identify the source and allocated to the most appropriate nominal code. I tested a sample of invoices issued for each aspect of the council's operations and was able to confirm rates charged were consistent with the council's published charging schedule.

FR 10.3 states *'The council will review all fees and charges for work done, services provided, or goods sold at least annually as part of the budget-setting process. The RFO shall be responsible for the collection of all amounts due to the council.'*

The Deputy Clerk confirmed that fees are reviewed as part of the budget setting process through the budget working group.

The adopted Financial Regulations include provision for bad debts, and through discussion with the Business Manager, I am satisfied the council has in place a process for chasing and progressing debt recovery.

I note there is an inconsistency in the Financial Regulations (as below) and the council's published Debt Recovery Policy in terms of the threshold at which amounts being written off should be reported to council, and recommend this is clarified and the same figure recorded in both documents.

FR 10.4 *Any sums found to be irrecoverable and any bad debts shall be written off by the RFO in the year. All such sums and debts in excess of £5,000 shall be reported to the Finance and Governance Committee prior to such items being written off.*

Debt Recovery Policy

9.3 *All sums in excess of £1,000 shall be reported to the Finance and Governance Committee prior to such items being written off.*

F. PETTY CASH

Internal audit requirement

Petty cash payments were properly supported by receipts; all petty cash expenditure was approved and VAT appropriately accounted for.

Audit findings

The council maintains a petty cash float used for incidental expenditure. The petty cash is locked in a safe and petty cash vouchers are completed for each transaction. The petty cash is checked and balanced regularly.

A review of the vouchers shows that all petty cash items are genuine and other arrangements for payment would not have been appropriate.

The council's adopted Financial Regulations include a section covering petty cash and use of corporate cards, and state:

FR 7.5 Corporate credit cards and trade card accounts opened by the Council shall be specifically designated to named officers, as approved by the Town Clerk and Deputy Town Clerk and shall be subject to automatic payment in full each month. Personal credit or debit cards of officers or Councillors shall not be used under any circumstances.

FR 7.6 The RFO shall maintain petty cash floats for the purpose of defraying operational and other expenses. Vouchers for payments made shall be forwarded to the Finance Officers and retained to substantiate each claim for reimbursement.

Through discussion with the Business Manager, it appears that staff members do occasionally use their own debit cards to purchase items, subsequently reclaiming via the petty cash process. This is not unreasonable, and the council may wish to consider amending the Financial Regulations to allow this or remind staff members that they must not use their own cards.

I am satisfied that the council has in place appropriate measures for the safe management of petty cash.

G. PAYROLL

Internal audit requirement

Salaries to employees and allowances to members were paid in accordance with the authority's approvals, and PAYE and NI requirements were properly applied.

Audit findings

The council has 52 permanent employees on the latest payroll. All staff members have a signed contract of employment, based on templates provided by the council's HR advisor. The council is a member of the Local Government Pension Scheme (LGPS).

Performance reviews for staff members are completed twice yearly by the appropriate line manager, with the Town Clerk's appraisal completed by the Chair of the HR Committee and the Leader of the Council with agreed objectives reported to a meeting of the HR Committee

Payroll is processed in house by the Business Manager using the SAGE payroll software package, although I understand that the council are considering outsourcing the payroll to a third-party in the next few months.

I was able to confirm that the council is correctly not claiming the employment allowance for national insurance contributions.

The adopted Financial Regulations include a section covering changes to staff pay and conditions and state:

FR 8.3 Salary rates shall be agreed by the council, or a duly delegated committee. No changes shall be made to any employee's gross pay, emoluments, or terms and conditions of employment without the prior consent of the HR committee.

Through discussion with the Deputy Clerk, the annual increment as outlined within the NJC terms and conditions, is reported to the council (rather than approval requested) and the council, may wish to update the Financial Regulations to state that changed other than the annual increment will need prior approval.

There is a councillor allowance scheme in place, paid monthly through the payroll system to eligible (elected) members.

H. ASSETS AND INVESTMENTS

Internal audit requirement

Asset and investments registers were complete and accurate and properly maintained.

Audit findings

The Smaller Authorities Proper Practices Panel (SAPPP) Practitioner's guide provides updated guidance on assets and asset registers as below:

5.58 The asset register should contain in its most simple form the date of acquisition, cost of acquisition, useful life estimate and location along with value held for investments; however, it is desirable for the register to contain other such supplementary information to enable the user to better understand the nature and scope of the use of the fixed asset. It is therefore recommended to show insurance value, replacement value, custodian, date last physically vouched.

5.59 Each authority may choose an appropriate minimum value for deciding between fixed assets and general consumables. The limit chosen will relate to expected useful life, whether the item would be included on an insurance claim and whether it is included in the risk assessment of the authority in any way. This minimum level is to be minuted and reviewed at least annually. The rationale and methodology should be recorded in the minutes.

5.60 One item or group of similar items shall be regarded for inclusion in the fixed asset register.

5.61 Assets should be first recorded in the asset register at their actual purchase cost.

5.62 Assets that are either under construction or have not been brought into use should be included on the asset register only once complete and they benefit the community.

5.63 Obsolete assets that are no longer in use or are awaiting disposal should be clearly recorded as such.

5.64 Where an authority receives an asset as a gift at zero cost, for example by community asset transfer, it should be included with a nominal one-pound (£1) value as a proxy for the zero cost.

5.65 *Assets that do not have a functional purpose or any intrinsic resale value (for example, a village pond or war memorial) are often referred to as 'community assets'. Authorities should record community assets in the asset register in the same way as gifted assets.*

5.66 *The particular method of asset valuation is not specified in proper practices so authorities may use any reasonable approach to be applied consistently from year to year. The method of asset valuation adopted should be set out in a policy approved by the authority and recorded in the authority's minutes and in the asset register.*

5.67 *For authorities covered by this guide, the most appropriate and commonly used method of fixed asset valuation for first registration on the asset register is at acquisition cost. This means that the recorded value of the asset will not change from year to year, unless it is materially enhanced.*

5.68 *Commercial concepts of depreciation, impairment adjustments, and revaluation are not required nor appropriate for this method of asset valuation.*

5.69 *The total value of an authority's assets recorded on the asset register as at 31 March each year is reported at Line 9 on the authority's AGAR. Authorities should be able to track and explain fully any changes in the asset register from year to year.*

Testing of the council's asset register will be deferred to the year-end, to allow for their inclusion of any additional items acquired during the year. For a council of this size with a wide range of assets, the council is advised to follow the Practitioner's Guide recommendations in formulating an appropriate asset register.

At the final internal audit, I will conduct sample testing of invoices for items added during the year to ensure they have been accurately recorded as the original net purchase price.

FR 15.2 The RFO shall ensure that an appropriate and accurate Register of Assets and Investments is kept up to date, with a record of all properties held by the council, their location, extent, plan, reference, purchase details, nature of the interest, tenancies granted, rents payable and purpose for which held, in accordance with Accounts and Audit Regulations.

FR 15.3 The continued existence of tangible assets shown in the Register shall be verified at least annually, possibly in conjunction with a health and safety inspection of assets.

The Smaller Authorities Proper Practices Panel (SAPPP) Practitioner's guide provides updated guidance on investments, and defines a long-term investment as below:

2.23 *Short-term investments, which mainly include deposit and savings accounts typically provided by banks, are those that display the following characteristics:*

- a. are denominated in pounds Sterling;*
- b. be realisable at full value on demand or have a maturity end date of not more than 12 months;*
- c. the whole of the original sum invested can, from the time that the investment is made, be accessed for use by the authority without any reduction; and*
- d. the authority has assessed the counterparty and is satisfied that the original sum invested is not subject to unreasonable risk.*

2.26 *A long-term investment arises where the authority invests money in anything other than a short-term investment.*

1.11 *Arrangements need to be in place to ensure that the authority's funds are managed properly and that any amounts surplus to requirements is invested appropriately, in accordance with an approved strategy which needs to have regard to the government's [Statutory Guidance on Local Government Investments](#). If total investments are to exceed the threshold specified in the statutory guidance at any time during a financial year, the authority needs to produce and approve an annual Investment Strategy in accordance with the guidance.*

The council has adopted an Investment Strategy to support its future decision making on placement of funds in accordance with the statutory guide, although it currently has no long-term investments.

The council has no borrowing through the PWLB.

I. BANK AND CASH

Internal audit requirement

Periodic bank account reconciliations were properly carried out during the year.

Audit findings

Financial Regulation 2.6 states '*On a regular basis, at least once in each quarter, and at each financial year end, a member other than the Chairman or a cheque signatory shall be appointed to verify bank reconciliations (for all accounts) produced by the RFO. The member shall sign the reconciliations and the original bank statements (or similar document) as evidence of verification. This activity shall on conclusion be reported, including any exceptions, to and noted by the Finance and Governance Committee.*'

Bank reconciliations are completed monthly. I reviewed the latest bank reconciliation for all accounts and was able to confirm the balances to the bank statements and found no errors.

However, there is no evidence that the reconciliations are being independently verified by a member in accordance with FR 2.6, and I will need to see evidence of this activity taking place and being reported to the Finance and Governance Committee at the final internal audit to achieve a positive sign-off for this internal control assertion.

As the council's annual budget exceeds the €500,000 (£430,950 as of 3 July comparative date) threshold, it is not protected by the Financial Services Compensation Scheme (FSCS).

The council holds accounts with a range of different financial providers to mitigate the risk.

J. YEAR END ACCOUNTS

Internal audit requirement

Accounting statements prepared during the year were prepared on the correct accounting basis (receipts and payments or income and expenditure), supported by an adequate audit trail from underlying records and, where appropriate, debtors and creditors were properly recorded.

Audit findings

To be tested at the final internal audit.

K. LIMITED ASSURANCE REVIEW

Internal audit requirement

IF the authority certified itself as exempt from a limited assurance review in the previous year, it met the exemption criteria and correctly declared itself exempt.

Audit findings

The council did not certify itself exempt in 2024/25 due to exceeding the income and expenditure limits and this test does not apply.

L: PUBLICATION OF INFORMATION

Internal audit requirement

The authority publishes information on a free to access website/webpage, up to date at the time of the internal audit in accordance with relevant legislation

Audit findings

The council is reminded that the following requirements apply.

For councils with a turnover over £25,000, it is recommended best practice to follow the Local Government Transparency Code 2015, but not a statutory requirement and therefore not subject to verification during the internal audit.

All councils are required to follow The Accounts and Audit Regulations which include the following requirements:

13(1) An authority must publish (which must include publication on that authority's website)

- (a) the Statement of Accounts together with any certificate or opinion entered by the local auditor in accordance with section 20(2) of the Act; and
- (b) the Annual Governance Statement approved in accordance with regulation 6(3)

13(2) Where documents are published under paragraph (1), the authority must

- (a) keep copies of those documents for purchase by any person on payment of a reasonable sum; and
- (b) ensure that those documents remain available for public access for a period of not less than five years beginning with the date on which those documents were first published in accordance with that paragraph.

Testing for publication to meet this requirement will be completed at the final internal audit.

M: EXERCISE OF PUBLIC RIGHTS - INSPECTION OF ACCOUNTS**Internal audit requirement**

The authority, during the previous year, correctly provided for the exercise of public rights as required by the Accounts and Audit Regulations.

Audit findings

Inspection – key dates	2024/25 Actual
Date AGAR signed by council	25 June 2025
Date inspection notice issued	27 June 2025
Inspection period begins	30 June 2025
Inspection period ends	8 August 2025
Correct length (30 working days)	Yes
Common period included (first 10 working days of July)	Yes

I am satisfied the requirements of this control objective were met for 2024/25, and assertion 4 on the Annual Governance Statement can therefore be signed yes by the council.

N: PUBLICATION REQUIREMENTS**Internal audit requirement**

The authority complied with the publication requirements for the prior year AGAR.

Under the Accounts and Audit Regulations 2015, authorities must publish the following information on the authority website / webpage.

Before 1 July 2025 authorities must publish:

- *Notice of the period for the exercise of public rights and a declaration that the accounting statements are as yet unaudited*
- *Section 1 - Annual Governance Statement 2024/25, approved and signed, page 4*
- *Section 2 - Accounting Statements 2024/25, approved and signed, page 5*

Not later than 30 September 2025 authorities must publish:

- *Notice of conclusion of audit*
 - *Section 3 - External Auditor Report and Certificate*
 - *Sections 1 and 2 of AGAR including any amendments as a result of the limited assurance review.*
- It is recommended as best practice, to avoid any potential confusion by local electors and interested parties, that you also publish the Annual Internal Audit Report, page 3.*

Audit findings

I was able to confirm that the Notice of the Period of Public Rights and Section 1 (Annual Governance Statement) and Section 2 (Accounting Statement) were published on the council's website before 1 July 2025.

I was able to confirm that the External Auditor Report and Certificate were published on the council's website before 30 September 2025. However, as noted in section B of this report, the Notice of Conclusion of Audit was not published on the council website by the statutory deadline and therefore the council has NOT met the publication requirements for 2024/25.

O. TRUSTEESHIP

Internal audit requirement

Trust funds (including charitable) – The council met its responsibilities as a trustee.

Audit findings

The council has no trusts, and testing for this internal control objective is not applicable.

Achievement of control assertions at final internal audit date

Based on the tests conducted during the interim audit, our conclusions on the achievement of the internal control objectives to date are summarised in the table below.

	INTERNAL CONTROL OBJECTIVE	YES	NO	NOT COVERED
A	Appropriate accounting records have been properly kept throughout the financial year	✓		
B	This authority complied with its Finance Regulations, payments were supported by invoices, all expenditure was approved, and VAT was appropriately accounted for	✓		
C	This authority assesses the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these	✓		
D	The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.	✓		
E	Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for	✓		
F	Petty cash payments were properly supported by receipts, all petty cash expenditure was approved, and VAT appropriately accounted for	✓		
G	Salaries to employees and allowances to members were paid in accordance with the authority's approvals, and PAYE and NI requirements were properly applied.	✓		
H	Asset and investments registers were complete and accurate and properly maintained.	To be tested at final internal audit		
I	Periodic bank account reconciliations were properly carried out during the year.	✓		
J	Accounting statements prepared during the year were prepared on the correct accounting basis (receipts and payments or income and expenditure), supported by an adequate audit trail from underlying records and, where appropriate, debtors and creditors were properly recorded.	To be tested at final internal audit		
K	If the authority certified itself as exempt from a limited assurance review in the previous year, it met the exemption criteria and correctly declared itself exempt.			✓
L	The authority publishes information on a free to access website/webpage up to date at the time of the internal audit in accordance with the relevant legislation.	To be tested at final internal audit		
M	The authority, during the previous year correctly provided for the period for the exercise of public rights as required by the Accounts and Audit Regulations.	✓		
N	The authority complied with the publication requirements for prior year AGAR.		✓	
O	Trust funds (including charitable) – The council met its responsibilities as a trustee.			✓

Should you have any queries please contact me directly on andy@mulberrylas.co.uk or 07428 647069.

Yours sincerely



Andy Beams

Director, Mulberry Local Authority Services Ltd

Interim Internal Audit - Points Carried Forward

Audit Point	Interim Audit Findings	Council comments
<p>B. FINANCIAL REGULATIONS, GOVERNANCE AND PAYMENTS</p>	<p>However, the Notice of Conclusion of Audit has not been published and has now missed the statutory publication deadline of 30 September. To complete the 2024/25 audit process, the Notice of Conclusion must be added to the council website as soon as possible.</p> <p>I note the Website Accessibility Statement refers to partial compliance with WCAG 2.1 AA. The current standard is WCAG 2.2 AA, and the website provider should be consulted and the Website Accessibility Statement updated accordingly.</p> <p>The council has a published FOI Policy, but this does not include the actual publication scheme, and I recommend this is either appended to the policy or published as a separate document on the council website.</p> <p>Once the council has amended the Website Accessibility Statement and published on the website the adopted IT Policy and FOI Publication Scheme, the council will meet the requirements of Governance Assertion 10.</p> <p>I note the council has a Transparency page on its website, although the information is not up to date, and while not a statutory requirement, the council may wish to update the information to provide full transparency for its residents.</p>	

E. INCOME	I note there is an inconsistency in the Financial Regulations (as below) and the council's published Debt Recovery Policy in terms of the threshold at which amounts being written off should be reported to council, and recommend this is clarified and the same figure recorded in both documents.	
F. PETTY CASH	Through discussion with the Business Manager, it appears that staff members do occasionally use their own debit cards to purchase items, subsequently reclaiming via the petty cash process. This is not unreasonable, and the council may wish to consider amending the Financial Regulations to allow this or remind staff members that they must not use their own cards.	
G. PAYROLL	Through discussion with the Deputy Clerk, the annual increment as outlined within the NJC terms and conditions, is reported to the council (rather than approval requested) and the council, may wish to update the Financial Regulations to state that changed other than the annual increment will need prior approval.	
I. BANK AND CASH	There is no evidence that the reconciliations are being independently verified by a member in accordance with FR 2.6, and I will need to see evidence of this activity taking place and being reported to the Finance and Governance Committee at the final internal audit to achieve a positive sign-off for this internal control assertion.	
N. PUBLICATION REQUIREMENTS	I was able to confirm that the External Auditor Report and Certificate were published on the council's website before 30 September 2025. However, as noted in section B of this report, the Notice of Conclusion of Audit was not published on the council website by the statutory deadline and therefore the council has NOT met the publication requirements for 2024/25.	