



John Wright
Town Clerk

Lyme Regis Town Council

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Notice is given of an **extraordinary meeting of Lyme Regis Town Council** to be held at the **Guildhall, Bridge Street, Lyme Regis** on Wednesday 21 June 2023 commencing at 7pm when the following business is proposed to be transacted:

John Wright
Town Clerk
15.06.23

The open and transparent proceedings of Full Council and committee meetings will be audio recorded and recordings will be held for one year by the town council.

If members of the public make a representation to the meeting, they will be deemed to have consented to being audio recorded.

If members of the public have any queries regarding audio recording of meetings, please contact the town clerk.

Members are reminded that in reaching decisions they should take into consideration the town council's decision to declare a climate emergency and ambition to become carbon neutral by 2030 and beyond.

AGENDA

1. Public Forum

Twenty minutes will be made available for public comment and response in relation to items on this agenda

Individuals will be permitted a maximum of three minutes each to address the committee

2. Apologies for absence

To receive and record any apologies and reasons for absence

3. Disclosable Pecuniary Interests

Members are reminded that if they have a Disclosable Pecuniary Interest on their register of interests relating to any item on the agenda, they are prevented from participating in any discussion or voting on that matter at the meeting as to do so would amount to a criminal offence. Similarly, if you are or become aware of a Disclosable Pecuniary Interest in a matter under consideration at this meeting which is not on your register of interests or is in the process of being added to your register you must disclose such interest at this meeting and register it within 28 days.
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4. Dispensations

To note the grant of dispensations made by the town clerk in relation to the business of this meeting.

5. Internal Audit Report, Visit Three 2022-23

To inform members of the outcome of the internal auditor's third and final visit for 2022-23 dated 9 June 2023 and to provide a summary of the number and priority levels of recommendations made to the council over the last five years

6. Annual Governance and Accountability Return for the Year Ended 31 March 2023

To allow members to consider the Annual Governance and Accountability Return (formerly known as the annual return) for the year ended 31 March 2023

Committee: Full Council

Date: 21 June 2023

Title: Internal Audit Report, Visit Three 2022-23

Purpose of Report

To inform members of the outcome of the internal auditor's third and final visit for 2022-23 dated 9 June 2023 and to provide a summary of the number and priority levels of recommendations made to the council over the last five years

Recommendation

- a) Members note the internal auditor's report and approve the management responses
- b) Members note the number and priority levels of recommendations made to the council by the internal auditor 2018-19 to 2022-23

Background

1. Internal audit is an important part of the council's governance and managerial framework and, as such, it is important the town clerk takes responsibility for any observations and recommendations arising from the internal auditor's visits.
2. The council's internal auditor is Darkin Miller – Chartered Accountants. The internal auditor's remit is to establish there is proper book-keeping, risk management arrangements, bank reconciliation and year-end procedures, and controls are in place for payments, budgets, income, petty cash, payroll, and assets.
3. The council normally engages Darkin Miller for eight days a year; this covers four audit visits which usually last for two days.

Report

4. This is the ninth year¹ the council has engaged Darkin Miller and this is its third and final visit of 2022-23. The report identifies seven recommendations: one high, one medium, two low, and three information points. The report also details all 2022-23 recommendations and provides an audit opinion which is detailed in the Annual Governance and Accountability Return (AGAR) which is elsewhere on this agenda. Darkin Miller's report is attached, **appendix 5A**.
5. To provide some comparison, below is a summary of the number and priority levels of internal audit recommendations for 2018-19, 2019-20, 2020-21 and 2022-23

¹ Darkin miller has been engaged from 1 April 2023 on a further three-year contract with the option to engage for a further two years, as agreed at Full Council on 14 December 2022

2018-19

Rating	Number				
	Visit 1	Visit 2	Visit 3	Visit 4	TOTAL
High	0	3	2	0	5
Medium	4	1	1	0	6
Low	4	1	1	0	6
Information	0	0	0	1	1
TOTAL	8	5	4	1	18

2019-20

Rating	Number			
	Visit 1	Visit 2 & 3	Visit 4	TOTAL
High	4	2	0	6
Medium	4	4	1	9
Low	5	3	2	10
Information	0	0	2	2
TOTAL	13	9	5	27

2020-21

Rating	Number			
	Visit 1	Visit 2 & 3	Visit 4	TOTAL
High	1	0	2	3
Medium	1	1	2	4
Low	6	4	1	11
Information	0	0	1	1
TOTAL	8	5	6	19

2021-22

Rating	Number			
	Visit 1	Visit 2	Visit 3	TOTAL
High	0	1	0	1
Medium	3	2	1	6
Low	3	1	2	6
Information	1	0	1	2
TOTAL	7	4	4	15

2022/23

Rating	Number			
	Visit 1	Visit 2	Visit 3	TOTAL
High	1	0	1	2
Medium	2	2	1	5
Low	5	4	2	11
Information	0	0	3	3
TOTAL	8	6	7	21

Naomi Cleal
Finance manager
June 2023

DARKIN MILLER ~ CHARTERED ACCOUNTANTS

Accountancy ~ Internal Audit ~ Taxation



FINAL

Internal audit report 2022/23

Visit 3 of 3

LYME REGIS TOWN COUNCIL

Date: 9th June 2023

Report author: R Darkin-Miller
Email: r.darkin@darkinmiller.co.uk

Darkin Miller Limited trading as Darkin Miller ~ Chartered Accountants
Registered Office: 24e Deverel Road, Charlton Down, Dorchester, Dorset DT2 9UD
Principal and Director: Rosie Darkin-Miller LLB (Hons) FCA
Company registered in England no. 8590012

Introduction

This report contains a note of the audit recommendations made to Lyme Regis Town Council following the carrying out of internal audit testing on site with some remote testing on the 22nd and 24th May 2023.

The audit work has been carried out in accordance with Appendix 9 of the 2014 'Governance and Accountability for Local Councils: A Practitioners' Guide', as amended by the requirements later AGARs.

An internal audit covers the review of the operation of the Council's internal control environment. It is not designed to review and give full assurance over every transaction carried out by the Council. Instead it enables the auditor, following the sample testing of a number of different types of transaction, to give an opinion as to whether or not the control objectives are being achieved across a range of financial and governance systems.

Audit Opinion

Based on the sample testing carried out at this final audit visit and during the year, all of the Council's current financial controls appear to be operating effectively.

Audit Recommendations

Recommendations made during the audit are shown in appendix one to this report. Recommendations are graded as follows:

Rating	Significance
High	Either a critical business risk is not being adequately addressed or there is substantial non-conformity with regulations and accepted standards.
Medium	Either a key business risk is not being adequately addressed or there is a degree of non-conformity with regulations and accepted standards.
Low	Either minor non-conformity with procedure or opportunity to improve working practices further.

The number of recommendations made at this audit visit and their priority are summarised in the following table:

Rating	Number
High	2
Medium	1
Low	2
Info	2
TOTAL	7

The number of recommendations made at all of the audit visits in 2022/23 and their priorities are summarised in the following table:

Rating	Number			
	Visit 1	Visit 2	Visit 3	TOTAL
High	1	0	2	3
Medium	2	2	1	5
Low	5	4	2	11
Information	0	0	2	2
TOTAL	8	6	7	21

I would like to thank Naomi Cleal – Finance Manager; and Adrienne Mullins – Support Services Manager for their assistance during this audit.

Darkin Miller ~ Chartered Accountants
2022/23 INTERNAL AUDIT OF LYME REGIS TOWN COUNCIL
FINAL REPORT VISIT 3 OF 3: 9th JUNE 2023

Appendix 1 – Recommendations and Action Plan

Recommendation number	Detail	Priority (Low/Medium/High)	Management Response	Responsible Officer	Due Date
3.3 – Amendments and signatures for minutes	<p>I reviewed the minutes to confirm that there was no unusual financial activity. I found no such activity but did note the following:</p> <p>Council - Min 22/109/C only notes the approval of the November payments list but both November and December were presented.</p> <p>HR - Minutes 15/03/22 and 30/11/22 are not on the signed minutes file</p> <p>TCP - Minutes 17/11/22 and 27/04/22 and not on the signed minutes file</p> <p>Planning - Minutes 30/11/22 are on the minutes file but unsigned</p> <p>TMH - Minutes 10/11/21 are on the minutes file budget unsigned; minutes 22/06/22 are not on the signed minutes file; minutes 11/11/22 are on the Environment section of the file with only the front page signed</p> <p>Environment - Minute 22/051/ENV 15/03/23 refers in error to 01/01/23 (the meeting was on 25/01/23; the minutes are not on the Council's website.</p> <p>I recommend that Min 22/109/C and Min</p>	L	Agreed	SSM	

	22/51/ENV are corrected; the missing minutes are placed on file, unsigned minutes are signed once adopted and the Environment Committee minutes are added to the Council's website.				
5.13 – Resolve issues with car park ticket machines and back office systems	During the initial audit of income I was unable to complete the testing in relation to car park income for Monmouth Beach. In March 2023, the Council started replacing older ticket machines with new machines, with a change in the provider of the machines and back-office systems (which provide the financial information that enables the Council to reconcile income collected per the cash and card collection companies to the takings due per the ticket machines). The change was made because the new machines are supposed to require less expenditure in repairs and maintenance. It took a long time to obtain training, and a long time to gain access to the back office reports, and the quality of information available is not as good. This has made it more difficult to reconcile the cash and card collections and prove that the Council is receiving all of the car park ticket income that it should be receiving. There have been a number of significant differences across the year for each cash collection and the third party supplier appears unable or unwilling to resolve the matter. The Finance Manager was able to reconcile the card payments to within	H			

	<p>£121 or 0.33% (which is within normal limits for car park collections). However, on car park cash income for Monmouth Beach, a difference of £12.3k or 10% remains at the year-end (with actual cash collected being lower than the expected value per the back office systems), and the Finance Manager has reported that significant differences have persisted into the new financial year.</p> <p>The Finance Manager has noted that the Enforcement Officers have also reported problems with the new machines not sending prompt communications (e.g. to note that the cash box needs emptying, or that the machine has run out of tickets), which makes the operation of the machines less efficient. The Council is due to replace its remaining ticket machines over the next few years.</p> <p>I recommend that the Council pauses its replacement programme until issues with the new ticket machines and the back office system have been resolved. If the third party is unable to resolve the issues to the Council's satisfaction, I recommend that the Council considers whether the third party is in breach of contract, and explores the remedies that may be open to it.</p>		<p>Agreed. Organising a meeting with Flowbird senior representatives. Reviewing our relationship with Flowbird moving forward.</p>	FM/OM	31/10/2023
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7.1 – Ensure signed contracts all file for all staff	<p>I checked to see that all employees have contracts of employment with clear terms and conditions. I was unable to agree that signed contracts were in place for 3/45 staff. It was not clear whether the contracts had been misfiled or whether they were never returned at the start of the employment.</p> <p>I recommend that signed contracts are located and correctly filed, or that new copies are signed and placed on file, in order to ensure that all employees have signed contracts of employment and to reduce the risk of a misunderstanding of terms and conditions.</p>	M	Contracts for all three employees have now on file. One was in the file, but not found on the day. Two have been brought back in, signed and are now on file.	SSM/OP	Complete
7.2 – Check backpay and make any amendments necessary	I checked to see that other payments made to employees were reasonable, properly support and approved by the Council. I found that the sample month of November 2022 was a complex one, with seven months' backpay for all existing and former staff employed in 22/23 following the pay award, plus the calculation of a pay rise agreed for one member of staff (which was backdated to July 2022 per the Council minutes). I was able to agree the standard pay, backpay, enhanced hours (for anti-social workers) and additional payments (to ensure all staff were on the national living wage) for all employees and former employees apart from 1/35 employees, for whom backpay was calculated in error as being for five months	L			

	<p>instead of the four months due. The error across all staff was £60 (on a payroll total of £96k gross for the month).</p> <p>I recommend that the backpay calculation is checked and any necessary amendments made.</p>		Agreed and completed	FM	Completed 24/05/23
10.1 – Obtain statement for final bank account	<p>I checked to see that there was a bank reconciliation for each account and that the reconciliation was performed regularly. I noted that all of the Council bank accounts were reconciled to 28/02/23 (which was the most recent month end at the testing date of 17/03/23) apart from a small account relating to the Wilkinson Legacy, for which a bank statement is only received once a year. Council records indicate that the statement was received by the Council, but that it has not yet been received by Finance. The Finance Manager confirmed that she has contacted the bank to request a duplicate statement.</p> <p>The bank statement was provided on 22/03/23.</p>	Info	Bank statement provided was the original that had been mis-filed. We are looking to merge this account into our current accounts this financial year.	FM	
10.2 – Adjusted errors	<p>The following errors were adjusted in the accounts:</p> <ol style="list-style-type: none"> 1. A CIL receipt of £3.6k which had been coded to reserves was transferred into income. 2. An historic float balance of £20 was written back to the accounts. 	Info	Noted	FM	

	3. The prior year fixed asset total was increased by £9.6k to recognise an asset held in 21/22 which was not previously shown on the fixed asset register.				
10.3 – Consider diversification of investments	<p>I noted that the Council has over £1.5m held with one bank. The balance is unusually high as the Council has a number of projects which have been held over to the 2023/24 financial year. The FSCS provides potential cover for up to £85k per bank.</p> <p>I recommend that the Council considers diversification of its investments in order to ensure that it is not exposed to the risk of losing money in the event of a national bank failure.</p>	H	Noted. We have invested some money with NatWest and are in the process of investing with the Charity Bank. We will also be releasing a lot of funds for projects this year. We have considered the risks, as there are less fruitful investments opportunities for local government organisations, also many banks are under the same umbrella. We have invested money in a series of 6 months and one-year fixes, so we can move funds into different investments options, should we choose to.	FM	

Committee: Full Council

Date: 21 June 2023

Title: Annual Governance and Accountability Return for the Year Ended 31 March 2023

Purpose of Report

To allow members to consider the Annual Governance and Accountability Return (formerly known as the annual return) for the year ended 31 March 2023

Recommendation

The council approves the Annual Governance and Accountability Return for the year ended 31 March 2023 and authorises the mayor and town clerk to authorise and sign the document on behalf of the council.

Background

1. Local councils in England with an annual turnover of £6.5 million or less must complete an Annual Governance and Accountability Return, **appendix 6A**, in accordance with proper practices summarising their activities at the end of each financial year.
2. In accordance with the Local Audit and Accountability Act 2014 and the Accounts and Audit Regulations 2015, the notice to electors to allow the exercise of public rights to inspect the accounts for the year ended 31 March 2023 must be posted before 30 June 2023.
3. In accordance with the Accounts and Audit (England) Regulations 2011, the Annual Governance and Accountability Return must be approved by the Full Council and submitted to our external auditors before 30 June 2023.
4. If the Annual Governance and Accountability Return is approved and/or submitted to the council's external auditor after 30 June 2023, a qualified audit opinion will be issued.
5. Failure to approve the Annual Governance and Accountability Return and submit it to the external auditors, along with all the required supporting documentation, by 30 June 2023 will result in a Public Interest Report (PIR) being issued.
6. A PIR is issued by the external auditor under Section 8 of the Audit Commission Act 1998 and reports any matters which should be given formal consideration by the local council or brought to the attention of the public. This could damage the council's reputation, affect its ability to receive external funding, or count against it in achieving external accreditation.

7. The attached return for 2022-23 consists of four sections: the annual internal audit report, annual governance statement, accounting statements and the external auditor certificate and opinion.
8. Following a Strategy and Finance Committee recommendation on 30 November 2022, Full Council resolved on 12 December 2022 to approve Smaller Authorities Audit Appointments LTD to organise the council's external audit contract and they appointed BDO LLP as the town council's external auditors for years 2022-23 – 2026-27.

Report

Annual Internal Audit Report 2022-23

9. This report is based on independent opinion, an assessment of risk, and a selective assessment of compliance with relevant procedures and controls.
10. The report's objective is to ascertain if:
 - accounts have been kept properly
 - financial regulations have been complied with
 - risks have been assessed and reviewed
 - precept requirements resulted from an adequate budgetary process, budgets monitored, and reserves held at an appropriate level
 - expected income has been received, accounted for, banked and VAT has been accounted for
 - petty cash is properly accounted for
 - salaries, allowances, PAYE and NI requirements are met
 - asset and investment register is completed and maintained
 - periodic and bank reconciliations are carried out
 - accounting statements have been correctly prepared.

Annual Governance Statement 2022-23

11. This section extends beyond the accounting statement and asks members to confirm to the best of their knowledge and believe that:
 - effective arrangements are in place for effective financial management and the preparation of accounting statements;
 - there are adequate systems of internal control
 - relevant laws, regulation and codes of practice are being complied with
 - there are proper opportunities for electors to exercise their rights
 - risks are assessed and controlled
 - internal audit arrangements are in place
 - appropriate actions are taken in response to internal and external auditor recommendations
 - exposures with a financial impact are included in accounting statements.

Accounting Statements 2022-23

12. This section details the accounting statement for the financial year that ended on 31 March 2023, drawing comparison with the accounting statement for the previous financial year.

External Auditor Certificate and Opinion 2022-23

13. The approved accounts are referred to the council's external auditors, BDO LLP; these accounts must be with the external auditor before 30 June 2023.
14. BDO will review the Annual Governance and Accountability Return and supporting information and report on any matters that give them cause for concern in respect of any relevant legislation or regulatory requirements that have not been met.
15. The external audit must be completed by 30 September 2023; otherwise, a qualified opinion will be issued. The external auditor's certificate and opinion must be reported to the council and put on public display.

Naomi Cleal
Finance manager
June 2023

Annual Governance and Accountability Return 2022/23 Form 3

To be completed by Local Councils, Internal Drainage Boards and other Smaller Authorities*:

- where the higher of gross income or gross expenditure exceeded £25,000 but did not exceed £6.5 million; or
- where the higher of gross income or gross expenditure was £25,000 or less but that:
 - are unable to certify themselves as exempt (fee payable); or
 - have requested a limited assurance review (fee payable)

Guidance notes on completing Form 3 of the Annual Governance and Accountability Return 2022/23

1. Every smaller authority in England that either received gross income or incurred gross expenditure exceeding £25,000 **must** complete Form 3 of the Annual Governance and Accountability Return at the end of each financial year in accordance with *Proper Practices*.
2. The **Annual Governance and Accountability Return** is made up of three parts, pages 3 to 6:
 - The **Annual Internal Audit Report** must be completed by the authority's internal auditor.
 - **Sections 1 and 2** must be completed and approved by the authority.
 - **Section 3** is completed by the external auditor and will be returned to the authority.
3. The authority **must** approve Section 1, Annual Governance Statement, before approving Section 2, Accounting Statements, and both **must** be approved and published on the authority website/webpage **before 1 July 2023**.
4. An authority with either gross income or gross expenditure exceeding £25,000 or an authority with neither income nor expenditure exceeding £25,000, but which is unable to certify itself as exempt, or is requesting a limited assurance review, **must** return to the external auditor by email or post (not both) **no later than 30 June 2023**. Reminder letters will incur a charge of £40 +VAT:
 - the Annual Governance and Accountability Return Sections 1 and 2, together with
 - a bank reconciliation as at 31 March 2023
 - an explanation of any significant year on year variances in the accounting statements
 - notification of the commencement date of the period for the exercise of public rights
 - Annual Internal Audit Report 2022/23

Unless requested, do not send any additional documents to your external auditor. Your external auditor will ask for any additional documents needed.

Once the external auditor has completed the limited assurance review and is able to give an opinion, the Annual Governance and Accountability **Section 1, Section 2 and Section 3 – External Auditor Report and Certificate** will be returned to the authority by email or post.

Publication Requirements

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

Before 1 July 2023 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 2022/23**, approved and signed, page 4
- **Section 2 - Accounting Statements 2022/23**, approved and signed, page 5

Not later than 30 September 2023 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.

The Annual Governance and Accountability Return constitutes the annual return referred to in the Accounts and Audit Regulations 2015. Throughout, the words 'external auditor' have the same meaning as the words 'local auditor' in the Accounts and Audit Regulations 2015.

*for a complete list of bodies that may be smaller authorities refer to schedule 2 to the Local Audit and Accountability Act 2014.

Guidance notes on completing Form 3 of the Annual Governance and Accountability Return (AGAR) 2022/23

- The authority **must** comply with *Proper Practices* in completing Sections 1 and 2 of this AGAR. *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 and the subsequent work by the external auditor.
- Make sure that the AGAR is complete (no highlighted boxes left empty) and is properly signed and dated. Any amendments must be approved by the authority and properly initialled.
- The authority **should** receive and note the Annual Internal Audit Report before approving the Annual Governance Statement and the accounts.
- Use the checklist provided below to review the AGAR for completeness before returning it to the external auditor by email or post (not both) no later than 30 June 2023.
- The Annual Governance Statement (Section 1) must be approved on the same day or before the Accounting Statements (Section 2) and evidenced by the agenda or minute references.
- The Responsible Financial Officer (RFO) 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 RFO is required to commence the public rights period as soon as practical after the date of the AGAR approval.
- You must inform your external auditor about any change of Clerk, Responsible Financial Officer or Chairman, and provide relevant authority owned generic email addresses and telephone numbers.**
- Make sure that the copy of the bank reconciliation to be sent to your external auditor with the AGAR covers all the bank accounts. If the authority holds any short-term investments, note their value on the bank reconciliation. The external auditor must be able to agree the bank reconciliation to Box 8 on the accounting statements (Section 2, page 5). An explanation **must** be provided of any difference between Box 7 and Box 8. More help on bank reconciliation is available in the *Practitioners' Guide**.
- Explain fully significant variances in the accounting statements on **page 5**. Do not just send a copy of the detailed accounting records instead of this explanation. The external auditor wants to know that you understand the reasons for all variances. Include complete numerical and narrative analysis to support the full variance.
- If the bank reconciliation is incomplete or variances not **fully** explained then additional costs may be incurred.
- Make sure that the accounting statements add up and that the balance carried forward from the previous year (Box 7 of 2022) equals the balance brought forward in the current year (Box 1 of 2023).
- The Responsible Financial Officer (RFO), on behalf of the authority, **must** set the commencement date for the exercise of public rights of 30 consecutive working days which **must** include the first ten working days of July.
- The authority **must** publish on the authority website/webpage 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 2023**.

Completion checklist – 'No' answers mean you may not have met requirements		Yes	No
All sections	Have all highlighted boxes have been completed?		
	Has all additional information requested, including the dates set for the period for the exercise of public rights , been provided for the external auditor?		
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', has an explanation been published?		
Section 2	Has the Responsible Financial Officer signed the accounting statements before presentation to the authority for approval?		
	Has the authority's approval of the accounting statements been confirmed by the signature of the Chairman of the approval meeting?		
	Has an explanation of significant variations been published where required?		
	Has the bank reconciliation as at 31 March 2023 been reconciled to Box 8?	✓	
	Has an explanation of any difference between Box 7 and Box 8 been provided?		
Sections 1 and 2	Trust funds – have all disclosures been made if the authority as a body corporate is a sole managing trustee? NB: do not send trust accounting statements unless requested.		

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

Annual Internal Audit Report 2022/23

Lyme Regis Town Council

www.lymeregistowncouncil.gov.uk AVAILABLE WEBSITE/WEBPAGE ADDRESS

During the financial year ended 31 March 2023, this authority's internal auditor acting independently and on the basis of an assessment of risk, carried out a selective assessment of compliance with the relevant procedures and controls in operation and obtained appropriate evidence from the authority.

The internal audit for 2022/23 has been carried out in accordance with this authority's needs and planned coverage. On the basis of the findings in the areas examined, the internal audit conclusions are summarised in this table. Set out below are the objectives of internal control and alongside are the internal audit conclusions on whether, in all significant respects, the control objectives were being achieved throughout the financial year to a standard adequate to meet the needs of this authority.

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 financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.	✓		
C. This authority assessed 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 this authority's approvals, and PAYE and NI requirements were properly applied.	✓		
H. Asset and investments registers were complete and accurate and properly maintained.	✓		
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), agreed to the cash book, supported by an adequate audit trail from underlying records and where appropriate debtors and creditors were properly recorded.	✓		
K. If the authority certified itself as exempt from a limited assurance review in 2021/22, it met the exemption criteria and correctly declared itself exempt. (If the authority had a limited assurance review of its 2021/22 AGAR tick "not covered")			✓
L. The authority published the required information on a website/webpage up to date at the time of the internal audit in accordance with the relevant legislation.	✓		
M. In the year covered by this AGAR, the authority correctly provided for a period for the exercise of public rights as required by the Accounts and Audit Regulations (during the 2022-23 AGAR period, were public rights in relation to the 2021-22 AGAR evidenced by a notice on the website and/or authority approved minutes confirming the dates set).	✓		
N. The authority has complied with the publication requirements for 2021/22 AGAR (see AGAR Page 1 Guidance Notes).	✓		
O. (For local councils only)			
Trust funds (including charitable) – The council met its responsibilities as a trustee.	Yes	No	Not applicable
			✓

For any other risk areas identified by this authority adequate controls existed (list any other risk areas on separate sheets if needed).

Date(s) internal audit undertaken

26/09/2022 16/01/2023 22/05/2023
03/10/2022 16/01/2023

Name of person who carried out the internal audit

Mrs R Darkin-Miller LLB(Hons) BFP FCA

Signature of person who carried out the internal audit



Date

25/05/2023

*If the response is 'no' please state the implications and action being taken to address any weakness in control identified (add separate sheets if needed).

**Note: If the response is 'not covered' please state when the most recent internal audit work was done in this area and when it is next planned; or, if coverage is not required, the annual internal audit report must explain why not (add separate sheets if needed).

Section 1 – Annual Governance Statement 2022/23

We acknowledge as the members of:

Lyme Regis Town Council

our responsibility for ensuring that there is a sound system of internal control, including arrangements for the preparation of the Accounting Statements. We confirm, to the best of our knowledge and belief, with respect to the Accounting Statements for the year ended 31 March 2023, that:

	Agreed		‘Yes’ means that this authority:
	Yes	No*	
1. We have put in place arrangements for effective financial management during the year, and for the preparation of the accounting statements.	✓		<i>prepared its accounting statements in accordance with the Accounts and Audit Regulations.</i>
2. We maintained an adequate system of internal control including measures designed to prevent and detect fraud and corruption and reviewed its effectiveness.	✓		<i>made proper arrangements and accepted responsibility for safeguarding the public money and resources in its charge.</i>
3. We took all reasonable steps to assure ourselves that there are no matters of actual or potential non-compliance with laws, regulations and Proper Practices that could have a significant financial effect on the ability of this authority to conduct its business or manage its finances.	✓		<i>has only done what it has the legal power to do and has complied with Proper Practices in doing so.</i>
4. We provided proper opportunity during the year for the exercise of electors’ rights in accordance with the requirements of the Accounts and Audit Regulations.	✓		<i>during the year gave all persons interested the opportunity to inspect and ask questions about this authority’s accounts.</i>
5. We carried out an assessment of the risks facing this authority and took appropriate steps to manage those risks, including the introduction of internal controls and/or external insurance cover where required.	✓		<i>considered and documented the financial and other risks it faces and dealt with them properly.</i>
6. We maintained throughout the year an adequate and effective system of internal audit of the accounting records and control systems.	✓		<i>arranged for a competent person, independent of the financial controls and procedures, to give an objective view on whether internal controls meet the needs of this smaller authority.</i>
7. We took appropriate action on all matters raised in reports from internal and external audit.	✓		<i>responded to matters brought to its attention by internal and external audit.</i>
8. We considered whether any litigation, liabilities or commitments, events or transactions, occurring either during or after the year-end, have a financial impact on this authority and, where appropriate, have included them in the accounting statements.	✓		<i>disclosed everything it should have about its business activity during the year including events taking place after the year end if relevant.</i>
9. (For local councils only) Trust funds including charitable. In our capacity as the sole managing trustee we discharged our accountability responsibilities for the fund(s)/assets, including financial reporting and, if required, independent examination or audit.	Yes	No	N/A
			✓

*Please provide explanations to the external auditor on a separate sheet for each ‘No’ response and describe how the authority will address the weaknesses identified. These sheets must be published with the Annual Governance Statement.

This Annual Governance Statement was approved at a meeting of the authority on:

DD/MM/YYYY

and recorded as minute reference:

MINUTE REFERENCE

Signed by the Chairman and Clerk of the meeting where approval was given:

Chairman

SIGNATURE REQUIRED

Clerk

SIGNATURE REQUIRED

www.lymeregistowncouncil.gov.uk AVAILABLE WEBSITE/WEBPAGE ADDRESS

Section 2 – Accounting Statements 2022/23 for

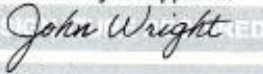
Lyme Regis Town Council

	Year ending		Notes and guidance
	31 March 2022 £	31 March 2023 £	
1. Balances brought forward	842,956	1,127,816	<i>Please round all figures to nearest £1. Do not leave any boxes blank and report £0 or Nil balances. All figures must agree to underlying financial records.</i> Total balances and reserves at the beginning of the year as recorded in the financial records. Value must agree to Box 7 of previous year.
2. (+) Precept or Rates and Levies	132,779	132,779	Total amount of precept (or for IDBs rates and levies) received or receivable in the year. Exclude any grants received.
3. (+) Total other receipts	2,054,669	1,936,831	Total income or receipts as recorded in the cashbook less the precept or rates/levies received (line 2). Include any grants received.
4. (-) Staff costs	734,368	782,005	Total expenditure or payments made to and on behalf of all employees. Include gross salaries and wages, employers NI contributions, employers pension contributions, gratuities and severance payments.
5. (-) Loan interest/capital repayments	195,000	0	Total expenditure or payments of capital and interest made during the year on the authority's borrowings (if any).
6. (-) All other payments	973,219	875,116	Total expenditure or payments as recorded in the cashbook less staff costs (line 4) and loan interest/capital repayments (line 5).
7. (=) Balances carried forward	1,127,816	1,540,306	Total balances and reserves at the end of the year. Must equal (1+2+3) - (4+5+6).
8. Total value of cash and short term investments	1,326,569	1,634,954	The sum of all current and deposit bank accounts, cash holdings and short term investments held as at 31 March – To agree with bank reconciliation.
9. Total fixed assets plus long term investments and assets	7,983,286	8,026,639	The value of all the property the authority owns – it is made up of all its fixed assets and long term investments as at 31 March.
10. Total borrowings	0	0	The outstanding capital balance as at 31 March of all loans from third parties (including PWLB).

For Local Councils Only	Yes	No	N/A	
11a. Disclosure note re Trust funds (including charitable)		✓		The Council, as a body corporate, acts as sole trustee and is responsible for managing Trust funds or assets.
11b. Disclosure note re Trust funds (including charitable)			✓	The figures in the accounting statements above do not include any Trust transactions.

I certify that for the year ended 31 March 2023 the Accounting Statements in this Annual Governance and Accountability Return have been prepared on either a receipts and payments or income and expenditure basis following the guidance in Governance and Accountability for Smaller Authorities – a Practitioners' Guide to Proper Practices and present fairly the financial position of this authority.

Signed by Responsible Financial Officer before being presented to the authority for approval


 Date 15/06/23 DD/MM/YYYY

I confirm that these Accounting Statements were approved by this authority on this date:

DD/MM/YYYY

as recorded in minute reference:

MINUTE REFERENCE

Signed by Chairman of the meeting where the Accounting Statements were approved

SIGNATURE REQUIRED

Section 3 – External Auditor's Report and Certificate 2022/23

In respect of

El Lyme Regis Town Council

1 Respective responsibilities of the auditor and the authority

Our responsibility as auditors to complete a **limited assurance review** is set out by the National Audit Office (NAO). A limited assurance review is **not a full statutory audit**, it does not constitute an audit carried out in accordance with International Standards on Auditing (UK & Ireland) and hence it **does not** provide the same level of assurance that such an audit would. The UK Government has determined that a lower level of assurance than that provided by a full statutory audit is appropriate for those local public bodies with the lowest levels of spending.

Under a limited assurance review, the auditor is responsible for reviewing Sections 1 and 2 of the Annual Governance and Accountability Return in accordance with NAO Auditor Guidance Note 02 (AGN 02) as issued by the NAO on behalf of the Comptroller and Auditor General. AGN 02 is available from the NAO website – <https://www.nao.org.uk/code-audit-practice/guidance-and-information-for-auditors/>.

This authority is responsible for ensuring that its financial management is adequate and effective and that it has a sound system of internal control. The authority prepares an Annual Governance and Accountability Return in accordance with *Proper Practices* which:

- summarises the accounting records for the year ended 31 March 2023; and
- confirms and provides assurance on those matters that are relevant to our duties and responsibilities as external auditors.

2 External auditor's limited assurance opinion 2022/23

(Except for the matters reported below)* on the basis of our review of Sections 1 and 2 of the Annual Governance and Accountability Return, in our opinion the information in Sections 1 and 2 of the Annual Governance and Accountability Return is in accordance with *Proper Practices* and no other matters have come to our attention giving cause for concern that relevant legislation and regulatory requirements have not been met. (*delete as appropriate).

(continue on a separate sheet if required)

Other matters not affecting our opinion which we draw to the attention of the authority:

(continue on a separate sheet if required)

3 External auditor certificate 2022/23

We certify/do not certify* that we have completed our review of Sections 1 and 2 of the Annual Governance and Accountability Return, and discharged our responsibilities under the Local Audit and Accountability Act 2014, for the year ended 31 March 2023.

*We do not certify completion because:

External Auditor Name

ENTER NAME OF EXTERNAL AUDITOR

External Auditor Signature

SIGNATURE REQUIRED

Date

DD/MM/YYYY