



**John Wright
Town Clerk**

Lyme Regis Town Council
Town Council Offices
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Notice is given of an **extraordinary meeting of Lyme Regis Town Council** to be held at the **St Michael's Business Centre, Church Street, Lyme Regis** on Wednesday 17 June 2026 commencing at **7pm** when the following business is proposed to be transacted:

John Wright
Town Clerk
12.06.26

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. Apologies for absence

To receive and record any apologies and reasons for absence

2. 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.

3. Dispensations

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

4. Internal Audit Report, Visit Three 2025-26

To inform members of the outcome of the internal auditor's second and final visit for 2024-25 and to provide a summary of the number and priority levels of recommendations made to the council over the last five years.

5. Conflicts of Interest

To allow members to consider any conflicts of interest they may have with the council's external auditor BDO LLP for the year ended 31 March 2026

6. Annual Governance and Accountability Return for the Year Ended 31 March 2026

To allow members to consider the Annual Governance and Accountability Return (formerly known as the annual return) for the year ended 31 March 2026

7. Extract from the minutes of the Human Resources Committee meeting on 10 June 2026

To receive minute number 26/09/HR of the meeting held on **10 June 2026** and consider the recommendations therein.

8. Recruitment Panel

To allow members to appoint a fourth member to the recruitment panel for the town clerk vacancy

Committee: Extraordinary Full Council

Date: 17 June 2026

Title: Internal Audit Report, Visit Three 2025-26

Purpose of Report

To inform members of the outcome of the internal auditor's second and final visit for 2025-26 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 2021-22 to 2025-26

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. This year we have required three visits.

Report

4. This is the 12th year¹ the council has engaged Darkin Miller and this is its final visit of 2025-26.
5. The third and final visit, dated 8 and 11 June 2026, identifies eight recommendations: three high, one medium, one low and three information. Darkin Miller's report is attached, **appendix 4A**. The report also details all 2025-26 recommendations and provides an audit opinion which is detailed in the Annual Governance and Accountability Return (AGAR), which is elsewhere on this agenda.

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.

6. To provide some comparison, below is a summary of the number and priority levels of internal audit recommendations for, 2022-23, 2023-24, 2024-25 and 2025-26.

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

2023-24

Rating	Number				
	Visit 1	Visit 2	Car park	Visit 3	TOTAL
High	0	1	1	0	2
Medium	3	1	4	2	10
Low	3	2	0	3	8
Information	1	0	0	0	1
TOTAL	7	4	5	5	21

2024/25

Rating	Number			
	Visit 1	Visit 2	Visit 3	TOTAL
High	0	0	0	0
Medium	3	4	1	8
Low	6	4	1	11
Information	0	1	3	4
TOTAL	9	9	5	23

2025/26

Rating	Number			
	Visit 1	Visit 2	Visit 3	TOTAL
High	2	1	3	6
Medium	3	5	1	9
Low	4	1	1	6
Information	0	0	3	3
TOTAL	9	7	8	24

Naomi Cleal
Finance manager
June 2026

DARKIN MILLER ~ CHARTERED ACCOUNTANTS

Accountancy ~ Internal Audit ~ Taxation



FINAL

Internal audit report 2025/26

Visit 3 of 3

LYME REGIS TOWN COUNCIL

Date: 12th June 2026

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) BFP FCA
Company registered in England no. 8390012

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 on the 8th June 2026 with some later remote work.

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 with the exception of:

Test O: Assertion 10 – Digital and Data Compliance

During the year the requirements of the Council's Annual Governance Statement Assertions and of the Annual Internal Audit Report were expanded to include assurances and testing around Digital and Data. As a result, I have carried out new testing in this area. I found that whilst the Council is compliant in relation to some requirements, it had not carried out the following actions:

- The Assistant Clerk confirmed that website accessibility had been tested but there was no statement on the website;
- The authority has not carried out a full data audit of all data held; and
- Whilst there is a section on Privacy and Electronic Communications in the Information Policy, the Council had not adopted an IT policy.

As a result, I have responded 'no' for this test.

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	2
Low	1
Info	3
TOTAL	8

The number of recommendations made at all of the audit visits in 2025/26 and their priorities are summarised in the following table:

Rating	Number			
	Visit 1	Visit 2	Visit 3	TOTAL
High	2	1	2	5
Medium	3	5	2	10
Low	4	1	1	6
Information	0	0	3	3
TOTAL	9	7	8	24

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

Darkin Miller ~ Chartered Accountants
 2025/26 INTERNAL AUDIT OF LYME REGIS TOWN COUNCIL
 FINAL REPORT VISIT 3 OF 3: 12th JUNE 2026

Appendix 1 – Recommendations and Action Plan

Recommendation number	Detail	Priority (Low/Medium/High)	Management Response	Responsible Officer	Due Date
3.3 – Review insurance valuation	<p>I checked to see that insurance cover was appropriate and adequate. I found that the insured value for the Harbourmaster Store fell £69k year on year. The cover was increased to £210k at the end of 24/25 following a review of the cost of demolition and rebuild with a full procurement process. The original value was used in error for the basis of the 25/26 valuation.</p> <p>I recommend that the value of the insurance held for this asset is reviewed to ensure that it remains adequate.</p>	M	Agreed	FM/DTC	31/07/2026
3.4 – Amend minute errors	<p>I reviewed the minutes to confirm that there was no unusual financial activity. I found no such activity, but did note that:</p> <p>Signed minutes not on website:</p> <ul style="list-style-type: none"> - The signed minutes for the Environment Committee meeting of 11/03/26 were not on the website at the start of the audit. These were added during the visit - Minute 25/68/TCP of the meeting of 04/03/26 refers in error to the meeting of 11/11/25. The previous meeting was on 21/02/26 - Minute 25/142/C of the Council meeting of 11/02/26 refers in error to the minutes of the Planning Committee meeting of 15/12/25. The meeting was on 16/12/25. <p>I recommend that amendments are made where required in</p>	L	Agreed	ATC	30/06/2026

	order to ensure that a complete record of approved Council business and decisions is held.				
5.5 – 25/26 rental income included in 24/25 in error	I reviewed income year on year to confirm that all income due to the Council had been collected. I found that one income stream, relating to a rental property, appeared to have fallen year on year. The Finance Manager confirmed after investigation that there had been a change in invoicing period in 24/25 and that £5475 of 25/26 income had been included in the 24/25 figures in error. Given the total value of income in the Council's accounts, this is not material to adjust.	Info	Noted	FM	N/A
10.1 – Unadjusted error	I checked to see that where appropriate debtors and creditors had been properly recorded. I noted that there was a £21.98 difference between the value shown for aged creditors on the trial balance (£32,216.39) and the amount shown on the aged creditors report at that date (£32,238.37). The Finance Manager investigated and confirmed that this was a temporary timing difference to do with 2 creditor invoices that had been cancelled before the year end. I checked the trial balance and aged creditors report at 08/06/26 and confirmed that by that point the timing difference had resolved so that both reports agreed. As the balance is not material to either the balance sheet or income & expenditure account, and as it resolved post year-end, no further adjustment has been made.	Info	Noted	FM	N/A
10.2 – Adjusted errors	The following errors were adjusted in the draft AGAR: 1. '0' was entered into box 5 (loan payments) for the current and prior years as AGAR boxes should not be left blank 2. The value of fixed assets was updated to reflect the actual value of additions for the MUGA in 25/26. The value of work in progress assets was deducted in accordance with the Practitioner's Guide	Info	Noted	FM/DTC	N/A

	<p>3. Box 11 (Trust figures included in the accounts) was ticked 'yes' to reflect that the Council's accounts do not include any Trust income or expenditure.</p> <p>There was no impact on carried forward reserves.</p>				
10.3 – Identify and separate out CIL receipts	<p>I checked to see that agreed audit recommendations had been implemented. I found that the majority of internal audit and all external audit recommendations had been implemented, but noted that no separate code had been set up for the CIL income, and there was no movement shown on the CIL reserve year on year. Without a separate code or inclusion of the amount received in the CIL reserve it would be easy to lose track of the funds which could result in them being misapplied or not applied within deadline, leading to a clawback claim.</p> <p>I recommend that a review is carried out of CIL receipts for the last few years in order to ensure that they have all been identified; and that CIL receipts are coded to a separate income code and then transferred into the CIL reserve in order to ensure that they remain separately identifiable and ring-fenced. This will help to ensure that they are correctly applied within deadline.</p>	H			
10.4 – Ensure action is taken to implement agreed recommendations	<p>I also noted that the following recommendations were not fully implemented:</p> <ol style="list-style-type: none"> 1. Recommendation 5.5 24/25 to put written agreements in place relating to the provision of a holiday parking permit - action was not taken before the start of the new financial year. 2. Recommendation 5.6 24/25 to amend the VAT split on an invoice in line with the lease - the Finance Manager noted that this is being disputed and that she has asked for a copy of the signed and sealed lease in order to correctly split the 	M			

	<p>VAT.</p> <p>3. Recommendation 5.9 24/25 to locate or replace the lease for the smaller rental to the Boat Building Academy - the Finance Manager noted that a comprehensive new lease covering all rental areas is being negotiated with the tenant.</p> <p>I recommend that action is taken on recommendation 5.5 24/25 in order to ensure that this is dealt with for the 27/28 financial year, that the signed lease is provided to enable the correct split of VAT and that the Boat Building Academy lease is agreed and signed as soon as possible in order to ensure that the rights, responsibilities and annual rental due for Council properties is clearly set out and has been agreed.</p>				
<p>15.1 – Ensure compliance with Assertion 10 and consider labelling of Information Policy</p>	<p>During the year the requirements of the Council's Annual Governance Statement Assertions and of the Annual Internal Audit Report were expanded to include assurances and testing around Digital and Data. As a result, I have carried out new testing in this area. I found that whilst the Council is compliant in relation to some requirements, it had not carried out the following actions:</p> <ul style="list-style-type: none"> - The Assistant Clerk confirmed that website accessibility had been tested but there was no statement on the website; - The authority has not carried out a full data audit of all data held; and - Whilst there is a section on Privacy and Electronic Communications in the Information Policy, the Council had not adopted an IT policy. <p>As a result, I have responded 'no' for this test.</p>	<p>H</p>			

	<p>I also noted that whilst the Information Policy includes Data Protection and details of the Council's Publication Scheme, its current title may make it difficult for users to locate these elements unless they know the policy name.</p> <p>I recommend that:</p> <ul style="list-style-type: none"> - The Council publishes the accessibility statement; - The Council carries out a full data audit as soon as possible; - The Council adopts an IT policy as soon as possible; - The Council considers how to enable website users to locate the Data Protection and Publication Scheme elements contained within the Information Policy; and - The Council responds 'no' to assurance 10 on the Annual Governance Statement and makes a note of how it will ensure compliance in future. 				
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Committee: Extraordinary Full Council

Date: 17 June 2026

Title: Conflicts of Interest

Purpose of Report

To allow members to consider any conflicts of interest they may have with the council's external auditor BDO LLP for the year ended 31 March 2026

Recommendation

Members consider whether there are any conflicts of interest with BDO LLP for the year ended 31 March 2026 and authorise the mayor and town clerk to sign the conflict of interest form on behalf of the council

Background

1. 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

2. The form at **appendix 5A** allows the council to confirm whether there are any conflicts of interest which would undermine BDO's ability to act as the council's external auditor or if a conflict arises.
3. In accordance with the Accounts and Audit (England) Regulations 2011, the Annual Governance and Accountability Return (AGAR) must be approved by the Full Council and submitted to our external auditors no later than 1 July 2025 along with all supporting documents.
4. The AGAR for the year ended 31 March 2026 is presented elsewhere on this agenda.

Naomi Cleal
Finance manager
June 2026

CONFLICT OF INTEREST WITH BDO LLP

To be completed annually and minuted at a meeting of the smaller authority.

Name of Smaller Authority	
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I confirm that there are no conflicts of interest with BDO LLP.

I confirm the following conflicts of interest (please detail below:

This was confirmed and minuted at the following meeting:

Date of Meeting	Minute Reference

Signed (Clerk/RFO)

Print Name

Signed (Chair)

Print Name

Committee: Full Council

Date: 17 June 2026

Title: Annual Governance and Accountability Return for the Year Ended 31 March 2026

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 2026

Recommendation

The council approves the Annual Governance and Accountability Return for the year ended 31 March 2026 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 2026 must be posted before 1 July 2026.
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 1 July 2026.
4. If the Annual Governance and Accountability Return is approved and/or submitted to the council's external auditor after 1 July 2026, 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 1 July 2026 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 2025-26 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.
9. On 29 October 2025, the Full Council considered a report on the effectiveness of the internal auditor for 2025-26 and resolved, 'to approve the effectiveness of the internal auditor for 2025-26.'

Report

Annual Internal Audit Report 2025-26

10. This report is based on independent opinion, an assessment of risk, and a selective assessment of compliance with relevant procedures and controls.
11. 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 2025-26

12. 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 2025-26

13. This section details the accounting statement for the financial year that ended on 31 March 2026, drawing comparison with the accounting statement for the previous financial year.

External Auditor Certificate and Opinion 2025-26

14. The approved accounts are referred to the council's external auditors, BDO LLP; these accounts must be with the external auditor before 1 July 2026.
15. 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.
16. The external audit must be completed by 30 September 2026; 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 2026

Annual Governance and Accountability Return 2025/26 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 £15 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 2025/26

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 2026**.
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 2026** 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 2026
 - 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 2025/26

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 Return **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 2026 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 2025/26** approved and signed, page 4
- **Section 2 - Accounting Statements 2025/26** approved and signed, page 5

Not later than 30 September 2026 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) 2025/26

- 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 2026
- The Annual Governance Statement (Section 1) **must** be approved before the Accounting Statements (Section 2) and evidenced by the agenda or minute references, even where approved on the same day.
- The 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 which **must** be a single period of 30 working days for inspection (this excludes weekends and public holidays) which **must** include the first 10 working days of July.
- You must inform your external auditor about any change of Clerk, Responsible Financial Officer or Chair, 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.
- Additional costs may be incurred if additional audit work is required.
- Make sure that the accounting statements add up and that the balance carried forward from the previous year (Box 7 of 2025) equals the balance brought forward in the current year (Box 1 of 2026).
- The Responsible Financial Officer (RFO), on behalf of the authority, **must** set the commencement date for the exercise of public rights which **must** be a single period of 30 working days for inspection (this excludes weekends and public holidays) which **must** include the first 10 working days of July.
- 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 2026**

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 Chair of the approval meeting?		
	Has an explanation of significant variations been published where required?		
	Has the bank reconciliation as at 31 March 2026 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 2025/26

Lyme Regis Town Council

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

During the financial year ended 31 March 2026, 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 2025/26 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. Cash payments were properly supported by receipts, all 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 2024/25, it met the exemption criteria and correctly declared itself exempt. (If the authority had a limited assurance review of its 2024/25 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 2025/26 AGAR period, were public rights in relation to the 2024-25 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 2024/25 AGAR (see AGAR Page 1 Guidance Notes).	✓		
O. The authority has complied with laws, regulations & proper practices relating to digital and data compliance.		✓	
P. (For local councils only) Trust funds (including charitable) – The council met its responsibilities as a trustee.			✓

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 **Self Assessment sheet**

Name of person who carried out the internal audit

DD/MM/YYYY

DD/MM/YYYY

DD/MM/YYYY

Mrs R Darkin-Miller LLB(Hons) BFP FCA

Signature of person who carried out the internal audit

 REQUIRED

Date

11/06/2026

*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).

Test O: Assertion 10 – Digital and Data Compliance:

During the year the requirements of the Council's Annual Governance Statement Assertions and of the Annual Internal Audit Report were expanded to include assurances and testing around Digital and Data. As a result, I have carried out new testing in this area. I found that whilst the Council is compliant in relation to some requirements, it had not carried out the following actions:

- The Assistant Clerk confirmed that website accessibility had been tested but there was no statement on the website;
- The authority has not carried out a full data audit of all data held; and
- Whilst there is a section on Privacy and Electronic Communications in the Information Policy, the Council had not adopted an IT policy.

As a result, I have responded 'no' for this test.

Dates internal audit undertaken:

01/12/2025	03/12/2025	05/03/2026	10/03/2026	08/06/2026
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R Darkin-Miller LLB (Hons) BFP FCA 11/06/2026

Section 1 – Annual Governance Statement 2025/26

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 2026, 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 have assured 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
			✓
10. We have put in place arrangements for the effective IT and data management in accordance with proper practices during the year under review.		✓	<i>has made suitable arrangements for its IT and data management and has complied with proper practices in doing so.</i>

*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 Chair and Clerk of the meeting where approval was given:

Chair

SIGNATURE REQUIRED

Clerk

SIGNATURE REQUIRED

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

Section 2 – Accounting Statements 2025/26 for

El Lyme Regis Town Council

	Year ending		Notes and guidance
	31 March 2025 £	31 March 2026 £	
1. Balances brought forward	1930357	1559999	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	132779	163254	Total amount of precept (or for IDBs rates and levies) received or receivable in the year. Exclude any grants received.
3. (+) Total other receipts	2396056	2387381	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	1000304	1099409	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	0	0	Total expenditure or payments of capital and interest made during the year on the authority's borrowings (if any).
6. (-) All other payments	189889	1610970	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	1559999	1400256	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	1655046	1533777	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	8291239	8435182	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	
11 Do the figures in the accounting statements above exclude any trust transactions?	✓		For guidance refer to the Practitioners' Guide sections 2.31 to 2.33.

I certify that for the year ended 31 March 2026 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 12/06/2026 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 Chair of the meeting where the Accounting Statements were approved

SIGNATURE REQUIRED

Section 3 – External Auditor’s Report and Certificate 2025/26

In respect of

ELyme 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 2026 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 2025/26

(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 2025/26

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 2026

*We do not certify completion because:

External Auditor Name

ENTER NAME OF EXTERNAL AUDITOR

External Auditor Signature

SIGNATURE REQUIRED

Date

DD/MM/YYYY

LYME REGIS TOWN COUNCIL
HUMAN RESOURCES COMMITTEE

EXTRACT FROM THE MINUTES OF THE MEETING HELD ON WEDNESDAY 8 APRIL 2026

Present

Chairman: Cllr M. Ellis

Members: Cllr G. Caddy, Cllr S. Cockerell, Cllr C. Reynolds, Cllr G. Stammers

Other members: Cllr P. Evans, Cllr P. May, Cllr A. Wood

Officers: A. Mullins (assistant town clerk), J. Wright (town clerk)

26/09/HR Town Clerk Recruitment

Members discussed the remuneration for the town clerk post. It was noted there had been a review of salaries in 2022, carried out by South West Councils, but comparative pay information presented to this committee in April 2026 had showed the salary was significantly less than clerks in other Dorset town councils with a similar budget.

It was pointed out the council was in the job market, so it was important the post was remunerated at a competitive rate to offer an incentive for good quality applicants.

The town clerk said guidance from the National Association of Local Councils (NALC) and the Society of Local Council Clerks (SLCC) would place the post in a higher pay bracket. He said the status of the role had also changed since he had been in post; councils were increasingly looking for younger, dynamic staff who had a diverse background.

Proposed by Cllr G. Caddy and seconded by Cllr M. Ellis, members agreed to **RECOMMEND TO FULL COUNCIL** to approve the regrading of the town clerk's salary to SCP 50-54, including an unbudgeted increase of £5,000 in the 2026-27 salaries budget.

Members discussed the proposed job description and person specification and the proposed methods of advertising the vacancy.

Proposed by Cllr C. Reynolds and seconded by Cllr M. Ellis, members agreed to **RECOMMEND TO FULL COUNCIL** to approve the proposed job description and person specification for the town clerk.

Proposed by Cllr M. Ellis and seconded by Cllr G. Caddy, members agreed to **RECOMMEND TO FULL COUNCIL** to approve the proposed methods of advertising the town clerk vacancy.

Members discussed the recruitment panel. It was noted the panel would carry out the shortlisting and following interview, would make a recommendation to the Full Council to formally approve any appointment. The successful candidate would be offered the role first, subject to Full Council approval.

It was suggested there may need to be an extraordinary Full Council meeting in order to do this.

A buffet lunch would be held on the interview date, to which all interviewees would be invited to meet members and staff. Although not part of the formal appointment process, it would give the panel a good sense of how they interacted with the team.

A member asked if the members of the panel had to be selected from this committee; if not, it was suggested the Full Council was asked to select a fourth panel member, in addition to the mayor, deputy mayor and chairman of this committee.

It was suggested all members could be asked in advance of the extraordinary Full Council meeting if they wished to be considered for the panel.

Proposed by Cllr M. Ellis and seconded by Cllr S. Cockerell, members agreed to **RECOMMEND TO FULL COUNCIL** to agree the timetable for recruiting a town clerk, with flexibility for availability of the panel members, and to allow the extraordinary Full Council to select one other member to sit on the panel in addition to the mayor, deputy mayor and chairman of the Human Resources Committee.

It was also agreed the application pack would be agreed in consultation with the panel.

Committee: Extraordinary Full Council

Date: 17 June 2026

Title: Recruitment Panel

Purpose of Report

To allow members to appoint a fourth member to the recruitment panel for the town clerk vacancy

Recommendation

Members appoint a fourth member to the recruitment panel for the town clerk vacancy

Background

2. A report about the recruitment of a town clerk was considered by the Human Resources Committee on 10 June 2026.
2. Among the matters considered was the approval of the interview panel and it was recommended: 'to agree the timetable for recruiting a town clerk, with flexibility for availability of the panel members, and to allow the extraordinary Full Council to select one other member to sit on the panel in addition to the mayor, deputy mayor and chairman of the Human Resources Committee.'
3. An extract from the minutes of that meeting is at the previous agenda item. It was agreed the item would be brought to this meeting for approval so recruitment could commence as soon as possible.

Report

4. Members are therefore asked to appoint a fourth member of the interview panel.
5. Members have been asked to indicate in advance of the meeting if they wish to be considered for appointment to the panel.

John Wright
Town clerk
June 2026