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Mrs L Tuck
Clerk to Charmouth Parish Council
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12 May 2026

Dear Lisa

CHARMOUTH PARISH COUNCIL

Internal audit report - Year ended 31 March 2026

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

I am bound by the ethical guidelines of the Institute of Chartered Accountants of England and Wales. I confirm that I am independent of the Council.

The internal audit work I have carried out has been planned to enable me to give my opinion on the control objectives set out in the Annual Internal Auditor's Report on the 2025-26 Annual Governance and Accounts Return.

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

- 'Governance and Accountability for Local Councils – A Practitioners' Guide (England) 2025
- The Accounts and Audit (England) Regulations 2015 (as amended).

I was appointed as internal auditor to the Parish Council in July 2022 for a period of three years to 2025-26.

The second audit review for 2025-26 was undertaken on 12 May 2026. Tim Light FMAAT assisted with the audit work.

Background

The Clerk commenced employment with the Council in 1995. The Clerk obtained her CiLCA qualification in the summer of 2021.

Charmouth Parish Council has income and expenditure of between £300,000 and £400,000 and is subject to review by the external auditor, BDO LLP. The annual report from the external auditor for 2023-24 noted an other matter relating to the minuting of the consideration of the independence of the internal auditor when they are appointed.

The Council is not a sole managing trustee.

The Council has income and expenditure in excess of £200,000 and it is best practice for the Council to comply with the Local Government Transparency Code 2015.

Internal audit checks

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

During this visit we checked the following:

- Minutes of Council Meetings
- Bank and cash
- Petty cash
- Income
- Expenditure
- VAT claims
- Risk assessment
- Asset register
- Action taken on the recommendations in prior report
- Year end checks

Findings

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

Good practice

- The Clerk is CiLCA qualified
- The Office Administrator is ILCA qualified
- The Council is a member of the National Association of Local Councils
- The Council maintains its books and records on Scribe software
- All records were up to date and easy to follow
- The Council's Standing Orders and Financial Regulations are reviewed regularly and are tailored appropriately for the Council
- The Council has appropriate policies in place

Good practice - continued

- The Clerk is aware of the requirements of GDPR and the Council is registered with the ICO
- The Finance Committee takes an active scrutiny role
- Councillors attend training by the local branch of the National Association of Local Councils
- Councillors undertake regular spot checks throughout the year
- Bank reconciliations are prepared accurately and regularly
- Bank reconciliations are carried out promptly each month, and are checked by a councillor
- Details of all payments authorised at meetings are recorded in the minutes
- All payment vouchers tested were evidenced as approved
- There are strong internal controls over cash receipts
- A formal burial register is maintained
- Moneysoft is used for the payroll
- All eligible employees have either been auto-enrolled in a pension scheme or have opted out in writing
- All employees have contracts of employment
- Staff have regular appraisals
- The budgeting process is detailed and thorough and monitored throughout the year
- VAT claims are made regularly
- The risk assessment has been adopted during the year
- The asset register is complete and accurate and has been properly maintained
- The Council mostly complies with the Local Government Transparency Code (2015)
- Action has been taken, or is underway on all of the recommendations in the last internal audit report
- The Council is compliant with the requirements of Assertion 10 on the 2025-26 Annual Governance Statement

Recommendations

Petty cash

- The petty cash balance in Scribe at the year end should agree to the balance in the tin at 31 March. If the amount at 31 March is less than the agreed £90 imprest amount the transactions that have occurred in the year to 31 March should be included on Scribe and the petty cash balance on Scribe reduced accordingly. During the year I do not think this procedure is necessary, but the year end figure on Scribe should match what is in the tin.

Transparency

- The Council is not currently complying fully with the Local Government Transparency Code (2015) with respect to the details published in relation to land and building assets and the information in relation to contracts over £5,000. The Council and should take appropriate steps if it is to comply with the Code.

Other matters to be brought to the Council's attention

- The Council has purchased new beach huts during the year under review with a value in excess of £30,000.
The initial decision made by the Finance and General Purpose Committee was to purchase 5 beach huts with a value of less than £30,000. At the following Full Council meeting it was decided to purchase more huts pushing the value of the contract over £30,000.

The Financial Regulations state that for contracts in excess of £10,000 three fixed price quotes must be obtained and for contracts in excess of £30,000 the contract should be advertised on the Contract Finder website in accordance with The Public Contracts Regulations 2015.

Quotes were obtained for the new beach huts as far as was possible, but the contract was not advertised on the Contract Finders website.

- The Annual Internal Auditors Report requires a response at Internal Control Objective B that the Council has complied with its Financial Regulations. I will have to respond "No" to this Internal Control Objective.
- When the Annual Governance Statement is completed on the 2025-26 AGAR the Council must carefully consider its response to Assertion 3 regarding compliance with legislation, regulation and proper practices.
- The Annual Internal Audit Report was completed with positive assertions to all relevant internal control objectives with the exception of objective B as noted above.

Conclusion

Based on the tests we have carried out, in our view, the internal control procedures in operation are adequate to meet the needs of Charmouth Parish Council.

Next Steps

This report should be noted and taken to the next meeting of the Parish Council. The Council should decide what action will be taken on the recommendations I have made.

Kind regards

Yours sincerely



Bridget Bowen FCA

Internal auditor