



Mrs S Freemantle
Bridport Town Council
Mountfield
Bridport
Dorset
DT6 3JP

14 November 2025

Dear Sally

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

Executive summary

Following completion of our interim internal audit on 14 November 2025 we enclose our report for your kind attention and presentation to the council. The audit was conducted in accordance with current practices and guidelines, and testing was risk based. Whilst we have not tested all transactions, our samples have where appropriate covered the entire year to date.

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

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

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

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

Regulation

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

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

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

Independence and competence

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

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

Engagement Letter and inherent risk assessment

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

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

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

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A. BOOKS OF ACCOUNT

Internal audit requirement

Appropriate accounting records have been kept properly during the year.

Audit findings

This is the first internal audit conducted by Mulberry Local Authority Services Ltd, having been appointed by the council earlier this year.

The audit was conducted on site with the Clerk and the Responsible Financial Officer (RFO). Both officers are recent appointments by the council, and a process of reviewing and updating council policies and procedures is underway. Some of the recommendations highlighted in this report are actions the officers have already begun to address, and I look forward to seeing the progress at future audit visits.

The information advised in advance of the visit had been prepared and overall, I have the impression that accounting records are neatly maintained and easily accessible. Other information was reviewed through discussion with the officers and a review of the council website www.bridport-tc.gov.uk

The council uses the Rialtas Business Solutions (RBS) accounting package for recording the council's finances. This is an industry specific accounting package. This is a new system for the council for this financial year, and at the date of the interim internal audit, the accounting package had been updated to include information to the end of August 2025.

The RFO is currently running the previous excel spreadsheets alongside Rialtas to ensure that up to date financial information is available but intends to streamline this process to primarily use the accounting package once all backdated information has been input.

The system requires the population of key data fields to enable the user to record a transaction. This is a clear and easy to follow system and a review of the entries shows that data fields are being entered with sufficient narrative detail to identify the source and purpose of each transaction.

B. FINANCE REGULATIONS, GOVERNANCE AND PAYMENTS

Internal audit requirement

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

Audit findings

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

The External Auditor's Report for 2024/25 was not qualified and has been published on the council website along with the Notice of Conclusion of Audit and was reported to the Finance Committee meeting held on 1) November 2025.

Under other matters, the External Auditor commented *'The smaller authority should give consideration to their level of reserves as, after accounting for earmarked reserves, general reserves are low. The Practitioners Guide notes that the generally accepted recommendation with regard to the appropriate minimum level of a smaller authority's general reserve is that this should be maintained at between three and twelve months of net revenue expenditure, dependent on the size and activity level between councils. The smaller authority's general reserves represent less than three months of expenditure.'*

Confirm by sample testing that councillors sign statutory office forms

I confirmed by sample testing that councillors sign "Acceptance of Office" forms. **I recommend that the Acceptance of Office form is amended to include formal acceptance to receive information by electronic means in the form "As per Schedule 12 of the Local Government Act 1972, I consent to the receipt of all council meeting papers by electronic methods. I understand I may withdraw this consent at any time."**

During the audit, it was discovered that while the Register of Members' Interest forms are available on the principal authority website, they are not currently available on the Town Council website.

I recommend that the Register of Members' Interest forms are added to the Town Council website in accordance with section 29(7) of the Localism Act 2011 which states 'A parish council must, if it has a website, secure that its register is published on its website.'

Confirm that the council is compliant with GDPR

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

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

Assertion 10 - Digital and data compliance

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

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

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

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

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

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

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

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

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

The council has a Privacy Notice, Website Accessibility Statement, FOI Publication Scheme on its website. A draft IT Policy has been considered by the council and will be adopted and published on the council website before 31 March 2026, and once this has happened, the council will meet the requirements of Governance Assertion 10.

Confirm that the council is compliant with the relevant transparency code

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

Confirm that the council meets regularly throughout the year

In addition to full council, the council has a committee structure in place, with terms of reference published within the adopted Standing Orders. The website also includes details of future meeting dates and historic agendas and minutes for meetings.

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

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

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

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

Minutes are uploaded to the council website.

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

The Standing Orders are based on the current NALC model and were most recently reviewed and adopted by council on 8 May 2025 (minute ref 11).

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

Financial Regulations are based on the previous NALC model and were last reviewed and adopted by council on 8 May 2025 (minute ref 11). The regulations contain provisions for the approval of spending, setting of budgets, reconciliation of the bank and reporting to council.

I note that the council are currently reviewing and updating several policies and recommend that the Financial Regulations are updated based on the current NALC model, tailoring them to suit the size and structure of the council and ensuring they are consistent with other adopted policies.

The RFO makes all payments on the bank account, after obtaining approval from the relevant team manager, with the details subsequently shared with councillors. The current banking arrangements allow the payment to be set up and released under single authorisation, and while this is in accordance with the current adopted Financial Regulations, this does present a risk to the council and consideration should be given as to whether dual online authorisation would be a preferred method.

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

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

Check receipt of VAT refund matches last submitted VAT return

The council submits its VAT return on a quarterly basis. I reviewed the submission for the period ending 31 March 2025 which showed a refund amount due of £12,624.73 and was fully supported by the required details. I was able to confirm receipt of this amount to the council's bank account. The council has submitted Q1 and Q2 returns late due to the changeover of the accounting system but anticipates being up to date by the Q3 submission.

C. RISK MANAGEMENT AND INSURANCE

Internal audit requirement

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

Audit findings

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

- FR 17.1 The council is responsible for putting in place arrangements for the management of risk. The Town Clerk shall prepare, for approval by the council, risk management policy statements in respect of all activities of the council. Risk policy statements and consequential risk management arrangements shall be reviewed by the council at least annually.*
- FR 17.2 When considering any new activity, the Clerk shall prepare a draft risk assessment including risk management proposals for consideration and adoption by the council.*

The council has a corporate risk assessment in place, which was last reviewed and approved by council in January 2025 (minute ref 53c) and is due for further review in January 2026.

The risk assessment breaks down potential risks into different areas of the council's operations, specifies each risk individually, assesses the level of risk as either low, medium or high, details the mitigation measures put in place by the council to manage the risk, determines which officer is responsible and then assesses the residual risk level post mitigation.

This is a thorough approach and includes analysis of all risks typically associated with a council of this size with its range of services and facilities. **The risk register would be further enhanced with the addition of a risk matrix demonstrating how the risk level has been determined through an assessment of the likelihood and severity of each risk occurring.**

I confirmed that the council has a valid insurance policy in place with Zurich Insurance in a long-term agreement expiring in September 2027. The policy includes Public Liability cover of £15 million, Employers Liability cover of £10 million and a Fidelity Guarantee level of £2 million which is sufficient for a council of this size.

D. BUDGET, PRECEPT AND RESERVES

Internal audit requirement

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

Audit findings

The council set a precept of £1,191,075 for 2025/26. With a tax base of 5,825.9, this equates to a band D equivalent of £204.44 (compared to the average in England of £92.92).

The Clerk and RFO confirmed that the 2026/27 budget setting process is underway, and a draft budget was available for review at the interim audit. The final budget and precept are due to be approved at the council meeting scheduled for January 2026.

The budget report dated 31 August 2025 shows income reported as 59% of budget and expenditure at 40%, suggesting that the budget has been accurately set and carefully monitored throughout the year. There is evidence within the minutes of meetings that councillors regularly receive budget reports for review, providing them with sufficient financial information to make informed decisions.

The council currently holds a range of earmarked reserves, spread across a range of clearly identifiable projects, including amounts received from Community Infrastructure Levy (CIL) which are identified separately. I checked the purpose of these earmarked reserves with the RFO and am satisfied they are all for legitimate future planned projects of the council.

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

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

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

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

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

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

A review of the general reserve balance will be conducted at the final internal audit. The council is advised to follow the recommended guidance in determining an appropriate level and taking the External Auditor comments on the 2024/25 AGAR into consideration. I note that a previous long-term investment (recorded on the asset register) has been liquidated during the financial year, and this will now be included in the account balances at the year-end and therefore likely increase the general reserve balance.

E. INCOME

Internal audit requirement

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

Audit findings

Apart from the precept, the council receives income from a range of sources. The RFO keeps a spreadsheet record of the income, and updates this to the Rialtas accounting package.

From a review of the accounting records, income appears to be recorded with sufficient narrative detail to identify the source and allocated to the most appropriate nominal code.

I tested a sample of invoices issued for a range of the council's operations and was able to confirm rates charged were consistent with the council's published charging schedule.

FR 9.2 states '*Particulars of all charges to be made for work done, services rendered, or goods supplied shall be agreed annually by the council, notified to the RFO and the RFO shall be responsible for the collection of all accounts due to the council.*'

FR 9.3 states '*The council will review all fees and charges at least annually, following a report of the Clerk.*'

FR 9.4 states '*Any sums found to be irrecoverable and any bad debts shall be written off by the RFO in the year. All such sums and debts in excess of £1,000 shall be reported to the Finance and Governance Committee prior to such items being written off.*'

Fees are reviewed as part of the budget setting process, and the Clerk confirmed that a further review is about to take place as part of the 2026/27 budget setting process.

F. PETTY CASH

Internal audit requirement

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

Audit findings

The council has no petty cash and the testing for this internal control objective does not apply.

G. PAYROLL

Internal audit requirement

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

Audit findings

Payroll is processed by the RFO using Sage payroll software. I reviewed the payroll summary and payslips provided for the interim audit and the payroll deductions appear correct. I was able to confirm that HMRC and pensions payments are up to date and that the council is correctly not claiming the employment allowance for national insurance contributions.

The Clerk confirmed that a review of contracts of employment is underway to ensure that all staff members have a signed contract of employment that is relevant to their role.

The council has a Scheme of Members' Allowances, with amounts paid based on the recommendations of the Dorset Parish Independent Remuneration Panel. Amounts are paid to eligible (elected) members monthly and are correctly processed through payroll and assessed for tax and national insurance.

I noted that currently, payments made through payroll for expenses and working from home allowances have been included within the salaries budget code. While payment of these items is allowable, these are not considered staff costs (box 4) for the purposes of the AGAR and should be moved to a different budget code to include in box 6 (all other payments).

H. ASSETS AND INVESTMENTS

Internal audit requirement

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

Audit findings

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

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

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

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

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

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

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

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

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

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

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

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

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

The council has simple fixed asset register in place, maintained in a tabular format, which includes a description of each asset, its acquisition date, location, and a value based on either historic insurance values or cost. I discussed with the RFO that assets should be listed at cost/proxy cost, or where gifted/donated, given a nominal £1 value for the purpose of the asset register as per the Practitioner's Guide.

A review of assets added for the year to date shows that some adjustments are needed to record the correct values as per the Practitioner's Guide, and I will check this again at the final internal audit to ensure that the AGAR figure is correct.

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

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

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

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

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

The council has an Annual Investment Strategy to support its future decision making on placement of funds in accordance with the statutory guide. This has been updated for the current year and is pending approval and adoption.

The council has no borrowing through the PWLB.

I. BANK AND CASH

Internal audit requirement

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

Audit findings

Financial Regulation 2.2 states *'On a regular basis, at least once in each quarter, and at each financial year end, the Chairman, or in their absence the Vice-Chairman, of the Finance & General Purposes Committee shall verify bank reconciliations (for all accounts) produced by the RFO. The member shall sign the reconciliations and the original bank statements (or similar document) as evidence of verification. This activity shall on conclusion be reported, including any exceptions, to and noted by the council Finance & General Purposes Committee.'*

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

I was able to confirm that the bank reconciliations have been verified in accordance with Financial Regulations, and evidence of this activity taking place is recorded within the minutes of meetings.

As the council's annual budget exceeds the €500,000 (£430,950 as of 3 July comparative date) threshold, it is not protected by the Financial Services Compensation Scheme (FSCS). The council holds accounts with more than one provider to mitigate this risk.

J. YEAR END ACCOUNTS

Internal audit requirement

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

Audit findings

To be tested at the final internal audit.

K. LIMITED ASSURANCE REVIEW

Internal audit requirement

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

Audit findings

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

L: PUBLICATION OF INFORMATION

Internal audit requirement

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

Audit findings

The council is reminded that the following requirements apply.

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

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

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

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

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

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

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

M: EXERCISE OF PUBLIC RIGHTS - INSPECTION OF ACCOUNTS

Internal audit requirement

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

Audit findings

Inspection – key dates	2024/25 Actual
Date AGAR signed by council	24 June 2025
Date inspection notice issued	25 June 2025
Inspection period begins	26 June 2025
Inspection period ends	6 August 2025
Correct length (30 working days)	Yes
Common period included (first 10 working days of July)	Yes

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

N: PUBLICATION REQUIREMENTS

Internal audit requirement

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

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

Before 1 July 2025 authorities must publish:

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

Not later than 30 September 2025 authorities must publish:

- *Notice of conclusion of audit*
- *Section 3 - External Auditor Report and Certificate*
- *Sections 1 and 2 of AGAR including any amendments as a result of the limited assurance review.*

It is recommended as best practice, to avoid any potential confusion by local electors and interested parties, that you also publish the Annual Internal Audit Report, page 3.

Audit findings

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

I was able to confirm that the Notice of Conclusion of Audit and External Auditor Report and Certificate were published on the council's website before 30 September 2025.

The council has therefore met the publication requirements for 2024/25.

O. TRUSTEESHIP

Internal audit requirement

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

Audit findings

To be tested at the final internal audit.

Achievement of control assertions at final internal audit date

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

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

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

Yours sincerely



Andy Beams

Director, Mulberry Local Authority Services Ltd

Interim Internal Audit - Points Carried Forward

Audit Point	Interim Audit Findings	Council comments
<p>B. FINANCIAL REGULATIONS, GOVERNANCE AND PAYMENTS</p>	<p>I recommend that the Acceptance of Office form is amended to include formal acceptance to receive information by electronic means in the form “As per Schedule 12 of the Local Government Act 1972, I consent to the receipt of all council meeting papers by electronic methods. I understand I may withdraw this consent at any time.”</p> <p>I recommend that the Register of Members Interest forms are added to the Town Council website in accordance with section 29(7) of the Localism Act 2011 which states ‘A parish council must, if it has a website, secure that its register is published on its website.’</p> <p>I note that the council are currently reviewing and updating several policies and recommend that the Financial Regulations are updated based on the current NALC model, tailoring them to suit the size and structure of the council and ensuring they are consistent with other adopted policies.</p> <p>The RFO makes all payments on the bank account, after obtaining approval from the relevant team manager, with the details subsequently shared with councillors. The current banking arrangements allow the payment to be set up and released under single authorisation, and while this is in accordance with the current adopted</p>	

	Financial Regulations, this does present a risk to the council and consideration should be given as to whether dual online authorisation would be a preferred method.	
C. RISK MANAGEMENT AND INSURANCE	The risk register would be further enhanced with the addition of a risk matrix demonstrating how the risk level has been determined through an assessment of the likelihood and severity of each risk occurring.	
G. PAYROLL	I noted that currently, payments made through payroll for expenses and working from home allowances have been included within the salaries budget code. While payment of these items is allowable, these are not considered staff costs (box 4) for the purposes of the AGAR and should be moved to a different budget code to include in box 6 (all other payments).	
H. ASSETS AND INVESTMENTS	A review of assets added for the year to date shows that some adjustments are needed to record the correct values as per the Practitioner's Guide, and I will check this again at the final internal audit to ensure that the AGAR figure is correct.	



Mrs S Freemantle
Bridport Town Council
Mountfield
Bridport
Dorset
DT6 3JP

8 June 2026

Dear Sally

Re: Bridport Town Council
Internal Audit Report for Financial Year Ended 31 March 2026

Executive summary

Following completion of our final internal audit on 8 June 2026, we are pleased to enclose our report for your review and presentation to the council. The audit was conducted in accordance with current professional standards and guidelines, employing a risk-based approach to our testing. While not all transactions were examined, our sample testing, where appropriate, covered the financial year to date.

Some assertions, as noted in this report, were tested at the interim internal audit completed during the financial year and the council should review all internal audit reports for the year before completing the Annual Governance Statement.

The structure of this report aligns with the assertions set out in the Annual Internal Auditor Report section of the published Annual Governance and Accountability Return (AGAR). Each section begins with a summary of the assertion being assessed, followed by details of the testing undertaken, which was guided by the audit plan previously shared with the council. A copy of the audit plan is available upon request. The report concludes with our opinion on whether each assertion has been met as of the date of the audit. **Any recommendations for action are highlighted in bold and summarised in the table at the end of the report.**

Our testing did not identify any procedural errors requiring reporting to the external auditor at this time, nor did we observe any material weaknesses in internal controls that would pose a risk to public funds. In fact, the processes and procedures together with own built in compensating controls are robust, strictly followed and in many respects a model of good practice.

We are pleased to report that overall, the systems and procedures currently in place are appropriate and effective. While this report may include recommendations for improvement, these should not be viewed as indicators of significant deficiencies. Rather, they are intended to support the continued development of what is, in our view, a well-managed and robust governance framework.

I have completed the Annual Internal Audit Report page of the AGAR and provided this to the council for onward submission to the External Auditor.

Regulation

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

Internal auditing is an independent, objective assurance activity designed to improve an organisation’s operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.

The primary purpose of internal audit is to assess and report to the authority on the effectiveness of its financial systems and other internal controls, including the operational procedures that support its activities.

The internal audit function involves testing and evaluating whether the authority’s internal control framework is both adequate and functioning effectively. Internal audit reports should be made available to all Members, providing a basis for informed decision making when considering the authority’s approval of the Annual Governance Statement.

Independence and competence

Your audit was conducted by Andy Beams of Mulberry Local Authority Services Ltd, who has over 36 years’ experience in the financial sector with the last 16 years in local Government.

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

Engagement Letter and inherent risk assessment

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

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

It is our opinion that the inherent risk of error or misstatement within the council’s financial systems is low. The internal control environment is considered reliable, and as such, substantive testing of individual transactions is not deemed necessary at this stage.

Audit testing will therefore consist of walk-through testing on a selection of sample data, covering the period under review within the current council year. This approach is designed to confirm that key controls are operating effectively throughout the financial period.

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INTRODUCTION

The audit was conducted on site. The information advised in advance of the visit had been prepared and was available for review, and overall, I have the impression that accounting records are neatly maintained and easily accessible.

Other information was reviewed through discussion with the officers and a review of the council website www.bridport-tc.gov.uk

UPDATES ON RECOMMENDATIONS FROM INTERIM AUDIT

Internal Audit – Summary of recommendations

Audit Point	Interim Audit Findings	Council comments
<p>B. FINANCIAL REGULATIONS, GOVERNANCE AND PAYMENTS</p>	<p>I recommend that the Acceptance of Office form is amended to include formal acceptance to receive information by electronic means in the form “As per Schedule 12 of the Local Government Act 1972, I consent to the receipt of all council meeting papers by electronic methods. I understand I may withdraw this consent at any time.”</p> <p>I recommend that the Register of Members Interest forms are added to the Town Council website in accordance with section 29(7) of the Localism Act 2011 which states ‘A parish council must, if it has a website, secure that its register is published on its website.’</p> <p>I note that the council are currently reviewing and updating several policies and recommend that the Financial Regulations are updated based on the current NALC model, tailoring them to suit the size and structure of the council and ensuring they are consistent with other adopted policies.</p> <p>The RFO makes all payments on the bank account, after obtaining approval from the relevant team manager, with the details subsequently shared with councillors. The current banking arrangements allow the payment to be set up and released under single authorisation, and while this is in</p>	<p>The RFO confirmed that the forms have been amended and these will be tested at the next interim audit.</p> <p>I note that the Register of Members Interest forms are now included on the councillor page of the website.</p> <p>The RFO confirmed that the Financial Regulations have been updated and compliance with these will be tested at the next interim audit.</p> <p>The RFO confirmed that the Financial Regulations have been updated to incorporate dual authentication and testing against this will be conducted at the next interim audit.</p>

	accordance with the current adopted Financial Regulations, this does present a risk to the council and consideration should be given as to whether dual online authorisation would be a preferred method.	
C. RISK MANAGEMENT AND INSURANCE	The risk register would be further enhanced with the addition of a risk matrix demonstrating how the risk level has been determined through an assessment of the likelihood and severity of each risk occurring.	To be reviewed at the next interim audit.
G. PAYROLL	I noted that currently, payments made through payroll for expenses and working from home allowances have been included within the salaries budget code. While payment of these items is allowable, these are not considered staff costs (box 4) for the purposes of the AGAR and should be moved to a different budget code to include in box 6 (all other payments).	The RFO confirmed that the adjustments have been made and the correct items included in the relevant boxes on the AGAR.
H. ASSETS AND INVESTMENTS	A review of assets added for the year to date shows that some adjustments are needed to record the correct values as per the Practitioner's Guide, and I will check this again at the final internal audit to ensure that the AGAR figure is correct.	I reviewed the year-end asset register and was able to confirm that the correct valuation process has now been applied to all items.

A. BOOKS OF ACCOUNT

Internal audit requirement

Appropriate accounting records have been kept properly during the year.

Audit findings

Testing conducted at the interim audit and findings included in the interim audit report.

CONCLUSION

I am satisfied this control objective has been met.

B. FINANCE REGULATIONS, GOVERNANCE AND PAYMENTS

Internal audit requirement

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

Audit findings

Testing conducted at the interim audit and findings included in the interim audit report. Updates on the recommendations from the interim audit are contained in the table on page 4 of this report.

CONCLUSION

I am satisfied this control objective has been met.

C. RISK MANAGEMENT AND INSURANCE

Internal audit requirement

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

Audit findings

Testing conducted at the interim audit and findings included in the interim audit report. Updates on the recommendations from the interim audit are contained in the table on page 4 of this report.

We discussed assertion 8 on the Annual Governance Statement and whether this had any impact on the council.

“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.”

The Clerk confirmed that they were not aware of any event having a financial impact that was not included in the accounting statements.

CONCLUSION

I am satisfied this control objective has been met.

D. BUDGET, PRECEPT AND RESERVES

Internal audit requirement

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

Audit findings

Testing conducted at the interim audit and findings included in the interim audit report.

Budget

The RFO produces regular detailed budget reports from the accounting software. The year-end budget report shows income reported as 118% of budget and expenditure at 108% prior to any reserve adjustments. There is no evidence to suggest that the budget has not been accurately set and carefully monitored throughout the year.

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

Precept

The council set a precept of £1,191,075 for 2025/26. With a tax base of 5,825.9, this equates to a band D equivalent of £204.44 (compared to the average in England of £92.22).

I was able to confirm that the precept amount recorded in the accounts is correct, and equals the amount recorded in box 2 of the Accounting Statements.

I confirmed from the minutes that the 2026/27 budget and precept were approved by the council at the meeting held on 20 January 2026 (minute ref 76(d)).

Reserves

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

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

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

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

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

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

At the year-end, the council held circa £827,035 in reserves, split between categories as below:

- CIL EMR £52,637
- Other EMR £245,846
- General Reserves £528,552

I checked the purpose of these earmarked reserves and am satisfied they are all for legitimate future planned projects of the council.

The general reserve balance is within the recommended range as detailed in the Practitioner's Guide.

CONCLUSION

I am satisfied this control objective has been met.

E. INCOME

Internal audit requirement

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

Audit findings

Testing conducted at the interim audit and findings included in the interim audit report.

CONCLUSION

I am satisfied this control objective has been met.

F. CASH

Internal audit requirement

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

Audit findings

Testing conducted at the interim audit and findings included in the interim audit report.

CONCLUSION

The council has no cash expenditure and testing for this internal control objective is not applicable.

G. PAYROLL

Internal audit requirement

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

Audit findings

Testing conducted at the interim audit and findings included in the interim audit report. Updates on the recommendations from the interim audit are contained in the table on page 4 of this report.

I reviewed the figure included in box 4 (staff costs) on the Accounting Statements and was able to confirm from the accounting software that in accordance with the guidance contained in the Smaller Authorities Proper Practices Panel (SAPPP) Practitioner's guide this includes only salary payments, HMRC payments and pension contributions.

CONCLUSION

I am satisfied this control objective has been met.

H. ASSETS AND INVESTMENTS

Internal audit requirement

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

Audit findings

Testing conducted at the interim audit and findings included in the interim audit report. Updates on the recommendations from the interim audit are contained in the table on page 4 of this report.

I confirmed the asset register total matches that included in box 9 (total fixed assets plus long term investments and assets) on the Accounting Statements and was able to trace the changes to the previous year's total against the asset register.

The council has no long-term investments.

The council has no borrowing through the PWLB.

CONCLUSION

I am satisfied this control objective has been met.

I. BANK AND CASH

Internal audit requirement

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

Audit findings

Testing conducted at the interim audit and findings included in the interim audit report.

I reviewed the year-end bank reconciliation for all accounts and was able to confirm the balances on 31 March 2026 to the bank statements and found no errors. I was able to confirm the total bank balances to the figure included in the Accountings Statements on the AGAR.

CONCLUSION

I am satisfied this control objective has been met.

J. YEAR END ACCOUNTS

Internal audit requirement

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

Audit findings

The council is reminded that at its meeting to sign the Annual Governance and Accountability Return (AGAR), it should complete the steps in the following order:

- **Review and consider the Annual Internal Audit Report**
- **Complete Section 1 – Annual Governance Statement**
- **Complete Section 2 – Accounting Statements**

Section 1 – Annual Governance Statement

Based on the internal audit findings, I recommend using the table below as the basis for that discussion.

	Annual Governance Statement	<i>'Yes', means that this authority</i>	Suggested response based on evidence
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>	YES – accounts follow latest Accounts and Audit Regulations and practitioners guide recommendations.
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>	YES – there is regular reporting of financial transactions and accounting summaries, offering the opportunity for scrutiny.
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>	YES – the Clerk advises the council in respect of its legal powers.
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>	YES – the requirements and timescales for 2024/25 year-end were followed.
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>	YES – the council has a risk management scheme and appropriate external insurance.
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>	YES – the council has appointed an independent and competent internal auditor.

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>	YES – matters raised in internal and external audit reports have been addressed.
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>	YES – no matters were raised during the internal audit visits.
9	Trust funds including charitable – In our capacity as the sole managing trustee we discharged our accountability responsibilities for the fund(s)/asset(s), including financial reporting and, if required, independent examination or audit.	<i>has met all its responsibilities where, as a body corporate, it is a sole managing trustee of a local trust or trusts.</i>	YES – the council has met its responsibilities as a trustee
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>	YES – the council has met the requirements of Governance Assertion 10

Section 2 – Accounting Statements

AGAR box number		2024/25	2025/26	Internal Auditor notes
1	Balances brought forward	547,417	555,489	Agrees to 2024/25 carry forward (box 7)
2	Precept or rates and levies	1,032,114	1,191,075	Figure confirmed to central precept record
3	Total other receipts	970,254	948,276	Agrees to underlying accounting records
4	Staff costs	847,198	919,911	Agrees to underlying accounting records. Includes only expenditure allowed as staff costs (see section G)
5	Loan interest/capital repayments	0	0	Council has no borrowing
6	All other payments	1,171,098	947,895 947,894	Agrees to underlying accounting records Amended for £1 rounding error
7	Balances carried forward	555,489	827,035	Casts correctly and agrees to balance sheet
8	Total value of cash and short- term investments	568,025	761,144	Agrees to bank reconciliation for all accounts
9	Total fixed assets plus long- term investments and assets	7,256,362	7,070,477	Matches asset register total and changes from previous year have been traced
10	Total borrowings	0	0	Council has no borrowing
11	Do the figures in the accounting statements above exclude any trust transactions	Yes	Yes	Yes – trust transactions are excluded from the stated figures

Audit findings

The year-end accounts have been correctly prepared on an income and expenditure basis with the box 7 and 8 reconciliation completed. This shows year-end total debtors of £96,408 and year-end total creditors of £30,517, with a full breakdown of the individual debtors and creditors provided.

The AGAR correctly casts and cross casts and last year's comparatives match the figures submitted for 2024/25 and published on the council website.

The variance analysis has been completed and, in my opinion, provides sufficient financial and narrative information to explain the variances to the External Auditor.

CONCLUSION

I am satisfied this control objective has been met.

K. LIMITED ASSURANCE REVIEW**Internal audit requirement**

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

CONCLUSION

The council did not certify itself exempt from a limited assurance review in the previous year and the testing for this internal control objective is not applicable.

L: PUBLICATION OF INFORMATION**Internal audit requirement**

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

Audit findings

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

- 13(1)** An authority must publish (which must include publication on that authority's website)
- (a) the Statement of Accounts together with any certificate or opinion entered by the local auditor in accordance with section 20(2) of the Act; and
 - (b) the Annual Governance Statement approved in accordance with regulation 6(3)
- 13(2)** Where documents are published under paragraph (1), the authority must
- (a) keep copies of those documents for purchase by any person on payment of a reasonable sum; and
 - (b) ensure that those documents remain available for public access for a period of not less than five years beginning with the date on which those documents were first published in accordance with that paragraph.

I was able to confirm that pages 4 (Annual Governance Statement), 5 (Accounting Statements) and 6 (External Auditor's Report and Certificate) of the AGARs are available for review on the council website for the previous five financial years.

Confirm that the council is compliant with the relevant transparency code

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

CONCLUSION

I am satisfied this control objective has been met.

M: EXERCISE OF PUBLIC RIGHTS - INSPECTION OF ACCOUNTS

Internal audit requirement

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

Audit findings

Inspection – key dates	2024/25 Actual	2025/26 Proposed
Date AGAR signed by council	24 June 2025	23 June 2026
Date inspection notice issued	25 June 2025	24 June 2026
Inspection period begins	26 June 2025	25 June 2026
Inspection period ends	6 August 2025	5 August 2026
Correct length (30 working days)	Yes	Yes
Common period included (first 10 working days of July)	Yes	Yes

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

I reviewed the proposed dates for the Exercise of Public Rights for the 2025/26 AGAR and confirm that these are in accordance with the requirements of the Accounts and Audit Regulations.

CONCLUSION

I am satisfied this control objective has been met.

N: PUBLICATION REQUIREMENTS

Internal audit requirement

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

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

Before 1 July 2025 authorities must publish:

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

Not later than 30 September 2025 authorities must publish:

- *Notice of conclusion of audit*
- *Section 3 - External Auditor Report and Certificate*
- *Sections 1 and 2 of AGAR including any amendments as a result of the limited assurance review.*

It is recommended as best practice, to avoid any potential confusion by local electors and interested parties, that you also publish the Annual Internal Audit Report, page 3.

Audit findings

Testing conducted at the interim audit and findings included in the interim audit report.

CONCLUSION

I am satisfied this control objective has been met.

O. DIGITAL AND DATA COMPLIANCE

Internal audit requirement

The authority has complied with laws, regulations and proper practices relating to digital and data compliance.

Audit findings

The Smaller Authorities Proper Practices Panel (SAPPP) Practitioner's Guide (March 2025) contains guidance on the new Governance Assertion included on the 2025/26 AGAR which relates to this internal control objective.

Website

I was able to confirm that the council website contains a Privacy Notice and a Website Accessibility Statement. The Website Accessibility Statement correctly references partial compliance with the Web Content Accessibility Guidelines (WCAG) 2.2 AA.

The council has an IT Policy in place which was last reviewed and approved by the council at the Finance & General Purposes Committee meeting held on 12 January 2026 (minute ref 72) before being ratified by the council at the meeting held on 20 January 2026 (minute ref 76 (d)).

Email management and GDPR

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

I recommend the council ensures that a data audit is conducted during 2026/27 to comply with GDPR regulations. This may be an audit test under Governance Assertion 10 next year.

CONCLUSION

I am satisfied this control objective has been met.

P. TRUSTEESHIP

Internal audit requirement

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

Audit findings

Testing conducted at the interim audit and findings included in the interim audit report.

CONCLUSION

I am satisfied this control objective has been met.

Achievement of control assertions at final internal audit date

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

	INTERNAL CONTROL OBJECTIVE	YES	NO	NOT COVERED
A	Appropriate accounting records have been properly kept throughout the financial year	✓		
B	This authority complied with its Finance Regulations, payments were supported by invoices, all expenditure was approved, and VAT was appropriately accounted for	✓		
C	This authority assesses the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these	✓		
D	The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.	✓		
E	Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for	✓		
F	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 the 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), 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 the previous year, it met the exemption criteria and correctly declared itself exempt.			✓
L	The authority publishes information on a free to access website/webpage up to date at the time of the internal audit in accordance with the relevant legislation.	✓		
M	The authority, during the previous year correctly provided for the period for the exercise of public rights as required by the Accounts and Audit Regulations.	✓		
N	The authority complied with the publication requirements for prior year AGAR.	✓		
O	The authority has complied with laws, regulations and proper practices relating to digital and data compliance	✓		
P	Trust funds (including charitable) – The council met its responsibilities as a trustee.	✓		

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

Yours sincerely



Andy Beams

Director, Mulberry Local Authority Services Ltd

Internal Audit – Summary of recommendations

Audit Point	Internal Audit Findings	Council comments
O. DIGITAL AND DATA COMPLIANCE	I recommend the council ensures that a data audit is conducted during 2026/27 to comply with GDPR regulations. This may be an audit test under Governance Assertion 10 next year.	

Minutes of the meeting of the FINANCE AND GENERAL PURPOSES COMMITTEE of Bridport Town Council held at Mountfield, Bridport on Monday 8 September 2025 at 7.00pm.

PRESENT: Cllr: Paddy Mooney (Chairman)

Cllrs: Nigel Amor	Ann Langridge
Rob Casey	Nigel Rawlings
Andy Holdridge	Dave Rickard
Anna Killick	Sarah Williams

Also in attendance: Cllr Ian Bark (Leader ex officio), Cllr Dave Bolwell, Cllr Jonathan Bourbon, Lisa Pinch (Finance & Office Manager), Terri Foxwell (Tourism, Markets & Events Manager), Claire Peters-Way (Property Manager), Daryl Chambers (Town Surveyor), Sally Freemantle (Town Clerk), 5 members of the public and 1 member of the press.

PUBLIC FORUM

The Chairman welcomed members of the public and press to the meeting.

Three members of the public presented a proposal for the two old telephone kiosks outside of the post office to become a "Writing Box". It was explained that the idea had gained a lot of community support with 200 people signing up for updates on the project. Aims would be to link people through writing activities, showcase creative writing and give the community a sense of ownership of the project and the kiosks. The initial outlay would be £2 to transfer the kiosks from BT to the group who intend to become an unincorporated association. Support from the Town Council would be requested for insurance. Local businesses had been approached about the concept and were keen to be involved, including a volunteer who would unlock and lock the kiosks. Councillors were interested in hearing more and requested that the group provide a business plan for further consideration by the Town Council.

*** Three members of the public left the meeting and did not return (7.16pm) ***

18. APOLOGIES

There were no apologies for absence received.

19. DECLARATIONS OF INTEREST

There were no declarations of interest at this time. It was noted that this did not preclude Councillors from declaring interests later in the meeting should they become apparent.

20. MINUTES

RESOLVED: that the minutes of the meeting of the committee held on 9 June 2025 be confirmed as a true and correct record and signed by the Chairman.

21. BEST VALUE AND SCRUTINY SUB COMMITTEE

RESOLVED: that the minutes of the meeting of the Sub Committee held on 2 September 2025 be received and the following recommendations be approved:

(Min: 15) TOWN COUNCIL GRANTS TO SMALLER BODIES

Applicant and Purpose of Grant	Award (£)
Equintervention - Intervention sessions for young people with mental health challenges, on reduced timetables in education.	A1
Axminster and Lyme Cancer Support - grant support towards funding the support we provide to clients based in Bridport.	£500.00
Home-Start Wessex - To support vulnerable families in the Bridport DT6 area through our targeted home-visiting service.	£500.00
Mosaic – Supporting Bereaved Children - a child-centred service offering a pathway of support for bereaved children, young people and their families. To offer 5 bereaved young people in the Bridport area their initial 2 sessions of bereavement counselling.	£500.00
Little Green Change - To organise and deliver a Halloween-themed reuse event at Bridport Library in 2025 benefitting children and local families focusing on sourcing and offering pre-loved children’s Halloween costumes and clothing free of charge.	£450.00
Melplash Agricultural Limited - to support children and young adults and educate on farming, food production, healthy eating and career opportunities.	£500.00
West Dorset Mencap – All Sorts Club - day services and social activities for people who have a learning disability in our local area. Many people also live in a rural community, so it is vital we run these clubs to improve mental health, maintain friendships and offer personal development skills.	£500.00
Bridport Food Bank - Assistance with funding fresh fruit and vegetables. £500 will help fund fruit and vegetable provision for 3 weeks.	£500.00
Common Ground for Bridport Swift Town - To employ local contractors to fit boxes on an as-and-when basis. The group would also like to provide Swift nest boxes in circumstances where an individual does not have the funds to buy their own but has a potentially attractive site for Swifts.	£500.00
Allington Hillbilly Volunteers - As part of our Celebrate 2026 project, we are organising a youth art project.	£500.00
Bridport Millennium Green Trust - Installation archway on the Millennium Lawn and the Mountfield driveway, to formalise the ‘gap in the hedge’. To also provide a barrier in front of the arch to prevent particularly small children from running out into the driveway.	£500.00
The Stepping Out Cancer Rehabilitation Community Group - Exercise and Wellbeing programme designed to help members with their recovery, during and after receiving a diagnosis of cancer.	£500.00

West Dorset Singers - In May 2026, we hope to raise our ambitions for local music by presenting two works by living local composers putting Bridport on the wider music map.	£500.00
The Harmony Centre - Towards the costs of a two-day local event in aid of World Mental Health week- whose theme this year is 'community', and for a participatory photography project which will raise awareness of the event and of our services.	£500.00
B Sharp - Bridport Boombox – a weekly out-of-school music making project for young people from Bridport and the surrounding area ages 8–13.	£500.00
Bridport Arts Centre - To support Primordial Dance, a community focused exhibition at Bridport Arts Centre this autumn. An exhibition of paintings by Helen Garrett with poetry by Kate Innes.	£500.00
Bridport Youth Dance – Outdoor Programme - BYD builds confidence and positive mental health by empowering young people to unlock their full creative potential through the power of dance, exploring the natural world around them and stirring their imagination through creativity.	A17
Bridport Youth Dance – Education Development Programme & 25 th Birthday Celebrations . A place where they can travel and excel. Our priorities for 2026 are positive mental health, taking dance into the local environment and supporting young emerging artists.	£500.00
Bridport Youth Dance – Community Outreach Programme - BYD community outreach programme-taking movement and dance to the local community offering workshops to various local groups in Bridport.	£500.00
ASCape - To run three exclusive soft play sessions at Seal's Cove, Bridport, for Autistic and socially anxious children and young people aged 0-25, their siblings, and parent carers.	£500.00
Bridport Literary Festival - as part of our children's programme, we are once again going to bring schools together at Bridport Arts Centre for one big event.	£500.00
Friends of the Lyric Theatre CIC - Working with Inez Aponte, mixed heritage professional storyteller, under the theme of CHILDHOOD (previously HOPE and BELONGING) we will run two community workshops using childhood photographs to collect stories, develop different theatrical forms and present to audiences in The Lyric Theatre.	£400.00
West Dorset Carers - Reflexology, mindfulness, forest bathing, publicity (leaflets/posters). Regarding the reflexology, these are just 15/20-minute sessions for the individual which we have done before.	A23
Edible Bridport - supporting the development of vegetable growing in sites prominent to the public around town. Growing vegetables that are freely available to everyone.	£500.00
St. Swithins Band Bridport - To replace uniforms like for like would cost over £8000 for the band, so we have chosen to modernise our look whilst still keeping the town crest as our logo.	£500.00
Multicultural Group - The multicultural groups, Small World festival on Saturday the 13 th September 2025.	Support in kind offered as grant

	would not be awarded in time for event
Jurassic Pride C.I.C - To fund printing costs for advertising for 12 x LGBTQIA + Community Social Events in Bridport. In addition, the grant will fund the running of 1 x Zine marking workshop in Bridport for members and allies of the LGBTQIA + Community.	£500.00

RESOLVED:

- (i) to note that further information had been requested from application numbers A1, A17 and A23, and following receipt of further information the decision regarding awarding of these grants had been delegated to the Town Clerk and Town Surveyor/Deputy Town Clerk in consultation with the Chair of the Best Value and Scrutiny Committee and the Chair of the Finance and General Purposes Committee. Since the Best Value and Scrutiny Committee meeting, further information had been received from all three applicants which satisfied the requirements of the grant policy. Therefore the delegated decision was taken to recommend that the amounts requested A1- £500; A17- £500; A23 - £400 be awarded; and
- (ii) that the above grants and identified amounts, included those identified in (i) above, be approved under the General Power of Competence,

(Min: 16) TOWN COUNCIL GRANTS TO LARGER BODIES 2025/26

Organisation	Amount
Bridport & District Citizens Advice	£9,000
Bridport Arts Centre	£6,750
Bridport Leisure Centre	£4,500
Bridport Youth & Community Centre	£27,000
Bridport Museum Trust	£6,750
Literary & Scientific Institute (Bridport Area Development Trust)	£4,500
2020 Skate & Ride	£4,500
Friends of the Lyric Theatre CIC	£4,500
Precision Football Arena	£2,700
Pymore Village Management Company	£540
Allington Hill & Coopers Wood & Field	£540

- (ii) to note that the agreed sum of £4,500 would potentially not be required by one of the recipients.
- (iii) that due to extenuating circumstances the Bridport Museum Trust be awarded an additional £750 on this occasion.
- (iv) that the potential underspend (£3,750) be held in reserve for Grants to Larger Bodies; and
- (v) that all recipients be required to provide their annual written update.

22. MARKET AND BUSINESS LIAISON WORKING GROUP MEETING

The notes of the Market & Business Liaison Working Group held on 17 June 2025 were presented. There were no recommendations arising from the meeting.

RESOLVED: that the minutes of the meeting of the Market & Business Liaison Working Group held on 17 June 2025 be received and noted.

23. FINANCIAL ESTIMATES 2025/26

Consideration was given to a verbal report of the Finance and Office Manager who explained that the year to date payments list was available, but that production of a report would be deferred to the November meeting of the Committee due to the work being carried out to populate the new financial software system. The Town Clerk, Finance & Officer Manager and the Chair of the Finance and General Purposes Committee meeting had reviewed the payments and it had been identified that payments were slightly increased in the last quarter, but that the increase was in line with budget. A question was raised regarding the risk log and the Chair confirmed that budget headings which might have issues, had been identified.

RESOLVED: that the update be noted.

24. BUDGET PLANNING

Consideration was given to a report of the Town Clerk, ENCL: 4034.

The Town Clerk reported on the proposed process and timetable for setting the Council's budget for 2025/26, and key issues for consideration. She further advised that membership of the Budget Working Group would need to be reviewed. Following discussion, it was

RECOMMENDED: that

- (i) membership of the Budget Working Group shall be Cllrs Ian Bark, Andrew Holdridge, Anna Killick, Ann Langridge, Paddy Mooney and Sarah Williams; and
- (ii) Cllr Dave Rickard be a reserve member of the Budget Working Group.

RESOLVED: that the timetable for setting the budget be approved.

25. WRITING BOX UPDATE

The Committee considered the presentation received during the public forum and Councillors were generally supportive of the initiative and looked forward to receiving information which would provide evidence that the project would be self-funding.

RESOLVED: that the initiative be noted and further be awaited.

26. BURTON ROAD TO WEST BAY TRAILWAY

Consideration was given to a report of the Town Surveyor and Property Manager, ENCL: 4035. Officers were commended for their work on the draft Management Plan and the public consultation. It was noted that commencement of the second consultation phase would begin in due course.

RESOLVED: that the community response to the draft Management Plan be noted; that the consultation process will continue.

27. SERVICES ADMINISTERED BY THE TOWN SURVEYOR AND PROPERTY MANAGER

Consideration was given to a report of the Town Surveyor and Property Manager, ENCL: 4036, in respect of the following projects:

Burton Road to West Bay Trailway Management Plan 2025-2030

The consultation period for the Management Plan closed on the 31st August 2025. Following this a second draft of the Management Plan is available for community consultation during September to October 2025.

No decision required, as this item was for information only.

Bridport Football Club and Plottingham Car Park

Discussions have taken place with Dorset Council with a draft enforcement order submitted. Bridport Town Council is awaiting information on the next stages which will include a public consultation and advertisement of the legal order. Dorset Council have advised the legal process is likely to begin in January 2026.

RESOLVED: Members considered the proposal in principle and looked forward to receiving updated information when available.

Asker Meadows

To install cycle and disability access alongside the main gate to the show field to link up the cycle route from Bradpole to West Bay. Proposed extension to the footpath in Asker Meadows.

RESOLVED: Members considered the proposal in principle and agreed that detailed arrangements are to be delegated to the Town Surveyor/Deputy Town Clerk in consultation with the Chair.

Asker Meadows Footbridge and remedial works to the riverbank

Dorset Council is to carry out vegetation clearance (mainly bramble) approximately five meters downstream of the footpath and three meters back from the top of the bank. The work will also be checking for the presence of any water vole burrows.

No decision required, as this item was for information only.

Mountfield

Work to repair the window frames on the ground floor at Mountfield have started, and work is to be carried out on the outside staircase commencing Monday 15th September 2025.

A new tenant has taken over the vacant room at Mountfield bringing the building up to full capacity.

No decision required, as this item was for information only.

Badger Row

Bridport Town Council is awaiting information from Dorset Council regarding the transfer of land proposed to be used as additional allotment plots.

No decision required, as this item was for information only.

Dorset Council Asset Transfers

Officers are working with Dorset Council on several asset transfers.

No decision required, as this item was for information only and further reports would be submitted for consideration as information becomes available.

The Grove

Works are to begin on a replacement boiler.

No decision required, as this item was for information only.

28. INTERNAL AUDITOR

Consideration was given to a report of the Finance and Office Manager, ENCL: 4037.

RESOLVED: that Bridport Town Council appoints Mulberry Local Authority Services Ltd as its Internal Auditor.

29. INSURANCE RENEWAL

A verbal update was given by the Finance and Office Manager. The annual renewal was slightly higher than previously and three items have been added; the beach wheelchair building, Ropey the elephant and the Stalking Dog sculpture.

RESOLVED: that the update and the renewal of the Town Council's Insurance Policy be noted.

30. CCLA INVESTMENT LIQUIDATION

Consideration was given to a verbal update by the Finance and Office Manager. It was recognised that strategic objectives need to be identified.

RESOLVED: that the matter be delegated to the Budget Working Group.

31. DAPTC MEMBERSHIP

The Town Clerk reported that the Dorset Association of Parish and Town Council Membership had been renewed.

RESOLVED: that the renewal of the DAPTC membership be noted.

32. PAYMENT OF ACCOUNTS

The Finance and Officer Manager presented List 2 of the 2025/26 accounts, ENCL: 4038, in the sum of £532,720.91 which had been authorised for payment since the last meeting.

RESOLVED: that the payment of accounts as presented be noted.

33. REPRESENTATIVES ON OUTSIDE BODIES

Anna Killick has now stepped down from being a representative to Dorset Association of Parish and Town Councils.

Following discussion, it was

RECOMMENDED: to be referred to Full Council on the 23 September 2025.

34. COMMUNICATIONS

There were none.

35. PUBLIC BODIES (ADMISSION TO MEETINGS) ACT 1960

RESOLVED: to exclude the press and public from the remainder of the meeting in accordance with Section 1(2) of the Public Bodies (Admission to Meetings) Act 1960 on the grounds that publicity of the remaining agenda items would be prejudicial to the public interest by reason of the confidential nature of the business to be transacted. Public Bodies (Admission to Meetings) Act 1960 s3.

36. BRIDPORT MUSEUM

Consideration was given to a report of Bridport Museum.

RESOLVED: that support in principle be given to the initial investigations into the proposal.

It was proposed and RESOLVED to consider agenda item 21. Property Matters next and 20. Staffing Matters last.

38. PROPERTY MATTERS

The Town Surveyor reported on matters relating to property and devolution.

RESOLVED: that the update be noted.

Claire Peters-Way and Terri Foxwell left the meeting and did not return (9.04pm)

37. STAFFING MATTERS

Daryl Chambers left the meeting and did not return (9.06pm)

The Committee considered the confidential report by the Town Clerk.

RESOLVED: that the actions identified within the report be noted and approved.

The meeting closed at 9.22pm.

The next meeting of the Committee will be held on 10 November 2025

8 SEPTEMBER 2025

APPOINTMENT OF NEW INTERNAL AUDITOR

REPORT OF THE FINANCE AND OFFICE MANAGER

1.0 PURPOSE

This report asks the Council to approve the appointment of a new Internal Auditor for Bridport Town Council for the financial year 2025/26 onwards. This follows the retirement of the former Internal Auditor, Tim Light, in July 2025.

2.0 BACKGROUND

Before leaving in June 2025, Will Austin, former Town Clerk for Bridport Town Council, contacted a number of Internal Auditors registered on the Internal Audit Forum. Proposals to provide Internal Audit services were received from two Internal Auditors: Mulberry Local Authority Services Ltd and Elucidate Consulting Ltd. All other firms contacted advised that they were not taking on new clients.

With Sally Freemantle starting as the new Town Clerk in August 2025, it was decided to defer making a decision on the appointment of the new Internal Auditor until the September F&GP meeting. In the interim, both firms were contacted and confirmed that their offers would remain valid until this time.

3.0 OBJECTIVES FOR THE APPOINTMENT

There are two key principles Bridport Town Council must follow in appointing an Internal Auditor: independence and competence. When completing our due diligence, we have examined whether the firms are able to meet these two principles and follow the essential competencies set out in the Practitioner's Guide:

- Understanding basic book-keeping and accounting processes including accounting and balance sheets;
- Understanding the role of internal audit in reviewing systems rather than undertaking detailed checks that are the responsibility of management;
- Awareness of relevant principles and practice of financial and risk management;
- Understanding proper practices in relation to governance and accounting requirements within the legal framework and powers of smaller authorities;
- Awareness of the most recent model Standing Orders and model Financial Regulations as published by NALC and how they are adopted by authorities;
- Awareness of the relevance of VAT and PAYE/NIC rules as applied to the authority;

- A clear understanding of the risks and controls associated with 'cut off' procedures, particularly with respect to revenue-generating activities.

4.0 INTERNAL AUDIT PROVIDERS

We have reviewed the quotations received from Mulberry Local Authority Services Ltd and Elucidate Consulting Ltd and a summary is provided below:

	Mulberry LAS	Elucidate Consulting
Engagement term	1 to 5 years	1 to 5 years
Cost	£85 hourly rate fixed at outset. No time given for length of each visit, stating this depends on the complexity of council affairs. Travel at 45p per mile (based in surrey).	1 year - £1,300 pa 3 year - £1,250 pa 5 year - £1,200 pa Additional work at £450 per day. Fees include travel.
Auditor type	Sector specialists	Sector specialists
Number of audits	2 per annum	2 per annum
Experience	20 years	14 years
Number of LA clients	300	Not known
Other clients	Andover, Chichester, Salisbury.	Broxbourne, Epping Forest, Harlow.
Training	Training programme available at discounted rates for clients. Short sessions costing £15.90 minute sessions costing £45.	Not mentioned.
Other	Recommended by Tim Light.	Proposal not as clear.

5.0 RECOMMENDED INTERNAL AUDITOR

Based on the research completed and experience of Tim Light, this report recommends Bridport Town Council appoints Mulberry Local Authority Services Ltd as its Internal Auditor.

Mulberry has confirmed that it has Professional Indemnity Insurance and that it has no conflicts of interest with Bridport Town Council.

1 September 2025

Lisa Pinch
Finance and Officer Manager

Bridport Town Council

Independent Internal Audit Service



Bridport
Town Council

Proposed Scope of Works

The following will normally be included in the standard internal audit:

- appropriate accounting records have been kept properly throughout the year
- a test check of expenditure vouchers to the financial ledger
- a review of the Committee and Council minutes to ensure decisions are properly approved in accordance with the Council's Financial Regulations
- a review of risk assessment procedures
- a review of insurance cover arrangements
- a test check on budget information
- a review of the Council's reserve policy
- a test check of income recorded on bank paying in books, credits to financial ledger and source documentation.
- a test check on petty cash vouchers and approval
- a review of staffing and payroll documentation
- a review of the asset and investment registers
- test check on the periodic and year end reconciliation of bank account and investments
- a review of accounting statements prepared during the year.
- a review of the Council's compliance with the Transparency Code and ICO Publication Scheme
- a review of the year end information to be submitted to the external auditor.

Site visits by arrangement with the Town Clerk/RFO.

Matters arising and recommendations will be discussed with the Town Clerk /Responsible Finance Officer and a written report will be issued each internal audit visit.

March 2025



Mrs S Freemantle
Bridport Town Council
Mountfield
Bridport
Dorset
DT6 3JP

10 September 2025

Dear Sally

Engagement Letter – Local Authority

We are pleased to accept the instruction to act as internal auditors for the Council and are writing to confirm the terms of our appointment outlined below. The purpose of this engagement letter is to set out the basis on which we are engaged to act as internal auditors and our respective areas of responsibility, it should be read in conjunction with our standard terms and conditions.

1. Period of engagement

- a. This letter is effective for audit work relating to the financial year 2025/26.
- b. It replaces all previous engagement letters. The previously agreed commencement date for this engagement still applies.
- c. We will deal with matters arising in respect of periods prior to the above period as appropriate.

2. Responsibilities of the council and internal auditors

- a. The council is responsible for ensuring that the council maintains adequate accounting records and for preparing financial statements that have been prepared in accordance with current practices and guidelines.
- b. You are also responsible for making available to us, as and when required, all the council's accounting records and all other relevant records and related information, including the minutes of all meetings. We are entitled to request from the council's officers any other information and explanations as we think necessary for the performance of our duties as internal auditors.
- c. We have a statutory responsibility to report to the external auditors whether in our opinion the financial statements have been properly prepared in accordance with current practices and guidelines as outlined in the Joint Panel on Audit and Governance (JPAG) Practitioner's Guide covering the financial year under review. In forming this opinion, we shall:
 - i. Review the accounting records and all other relevant records and related information, including minutes of all meetings
 - ii. If deemed necessary, conduct two or more reviews per annum to verify both the procedural and financial aspects of the council
 - iii. Report to you in writing any such adjustments that we may consider necessary, or those areas where we think your systems may require improvement
 - iv. Sign the Annual Internal Audit Report page of the Annual Governance and Accountability Return (AGAR) as internal auditors

- d. We have a professional responsibility to report if the financial statements do not comply with applicable proper practices, unless in our opinion the non-compliance is justified in the circumstances. In determining whether the departure is justified we consider:
 - i. Is the departure required for the financial statements to give a true and fair view; and
 - ii. Has adequate disclosure been made concerning the departure
- e. As with other professional services firms, we are required to identify our clients for the purposes of the UK anti-money laundering legislation. We are likely to request from you, and retain, some information and documentation for these purposes and/or to make searches of appropriate databases. If we are not able to obtain satisfactory evidence of your identity within a reasonable time, there may be circumstances in which we are not able to proceed with the audit appointment.
- f. The provision of audit services is a business in the regulated sector under the Proceeds of Crime Act 2002 and, as such, partners and staff in audit firms must comply with this legislation which includes provisions that may require us to make a money laundering disclosure in relation to information we obtain as part of our normal audit work. It is not our practice to inform you when such a disclosure is made or the reasons for it because of the restrictions imposed by the 'tipping off' provisions of the legislation.

3. Scope of audit

- a. Our audit will be conducted in accordance with current practices and guidelines and will include tests of transactions and of the existence, ownership and valuation of assets and liabilities such as we consider necessary.
- b. We shall obtain an understanding of the accounting and internal control systems to assess their adequacy as a basis for the preparation of the financial statements and to establish whether proper accounting records have been maintained by the council. We shall expect to obtain such appropriate evidence as we consider sufficient to enable us to draw reasonable conclusions there from.
- c. The nature and extent of our procedures will vary according to our assessment of the council's accounting system and, where we wish to place reliance on it, the internal control system, and may cover any aspect of the business operations that we consider appropriate. Our audit is not designed to identify all significant weaknesses in the council's systems but, if such weaknesses come to our notice during our audit, which we think should be brought to your attention, we shall report them to you. We accept no duty or responsibility to any other third party as concerns our reports.
- d. As part of our normal audit procedures, we may request you provide written confirmation of certain oral representations which we have received from you during the audit on matters having a material effect on the financial statements. Where we bring misstatements in the accounts to your attention that are not adjusted, we shall require written representation of your reasons.
- e. To assist us with the examination of your financial statements, we shall request sight of all documents or statements, including minutes and reports, which are due to be issued with the financial statements. We are also entitled to attend all general meetings of the council and to receive notice of all such meetings.
- f. The responsibility of safeguarding the assets of the council and for the prevention and detection of fraud, error and non-compliance with law or regulations rests with the council. However, we shall endeavour to plan our audit so that we have a reasonable expectation of detecting material misstatements in the financial statements or accounting records (including those resulting from fraud, error or non-compliance with law or regulations), but our examination should not be relied upon to disclose all such material misstatements or frauds, errors or instances of non-compliance as may exist.

- g. Once we have issued/uploaded our report we have no further direct responsibility in relation to the financial statements for that financial year. However, we expect that you will inform us of any changes occurring between the date of our report and submission to the external auditor.
- h. We appreciate that the present size of your council may render it uneconomic to create a system of internal control based on the segregation of duties for different functions within each area of the council. In planning and performing our audit work we shall take account of this.

4. Electronic publication

- a. Where audited financial information is published on a website or by other electronic means, it is your responsibility to ensure that any such publication properly presents the financial information and auditor's report. We reserve the right to withhold consent to the electronic publication of our report or the financial statements if they are to be published in an inappropriate manner.
- b. It is your responsibility to ensure there are controls in place to prevent or detect quickly any changes to electronically published information. We are not required to carry out ongoing review of the information after it is first published. The maintenance and integrity of electronically published information is your responsibility, and we accept no responsibility for changes made to audited information after it is first posted.

5. Communication

- a. To ensure that there is effective two-way communication between us we set out below the expected form and timing of such communications
 - i. We may arrange a meeting to discuss the forthcoming audit prior to the expected start date.
 - ii. We may arrange a meeting to discuss any matters arising from completing the on-site work.
 - iii. We shall of course contact you on a regular basis regarding both audit and other matters.

6. Other services

- a. You may request that we provide other services from time to time. We will issue a separate letter of engagement and scope of work to be performed accordingly. Because rules and regulations frequently change you must ask us to confirm any advice already given if a transaction is delayed or a similar transaction is to be undertaken.

7. Limitation of liability

- a. We specifically draw your attention to our standard terms and conditions which set out the basis on which we limit our liability to you and to others.
- b. There are no third parties that we have agreed should be entitled to rely on the work done pursuant to this engagement letter other than the external auditors.

8. Fees

- a. Our fees are calculated using a stand rate per hour, plus disbursements and VAT at the standard applicable rate.
- b. Our fees for the engagement period defined in clause 1a of this engagement letter are £85 per hour + VAT.
- c. Where applicable we charge 45p per mile for travel from the internal auditor's home address to the site of the audit.
- d. Our fees are payable on presentation of invoices.
- e. We do not normally charge for travel time, but in the event of an auditor attending on-site and the council not being ready and requiring the visit to be postponed or cancelled, we will charge for the auditor's travel time for the return journey at the hourly rate specified in clause 8(b).

9. Cancellation of services

- a. Services can be cancelled at any time in writing. Cancellation will be effective from the end of the engagement period defined in clause 1a of this engagement letter.
- b. If the council wishes to terminate the engagement period before the date defined in clause 1a of this agreement, an early termination fee shall become payable.
- c. The early termination fee shall be based on the anticipated duration of internal audit work during the remaining engagement period, and we shall provide an explanation of how this fee is calculated.

10. Agreement of terms

- a. This letter supersedes any previous engagement letter. Once it has been agreed, this letter will remain effective until it is replaced.
- b. If this letter is not in accordance with your understanding of the scope of our engagement or your circumstances have changed, please let us know
- c. This letter should be read in conjunction with our standard terms and conditions.

Yours sincerely

A Beams

Andy Beams
Director
Mulberry Local Authority Services Ltd

We confirm that by electronically approving this document we agree that we have read and understood the contents of this letter and related terms and conditions and further agree that it accurately reflects our fair understanding of the services that we require you to undertake.

Lisa Pinch

Lisa Pinch (Sep 12, 2025 09:33:22 GMT+1)

12/09/2025






Bridport TC Engagement Letter 2025-26

Final Audit Report

2025-09-12

Created:	2025-09-11
By:	Anna Beams (anna@mulberrylas.co.uk)
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