

Westgate-on-Sea Town Council

Internal Audit 2025.26

This report lists the findings of the year-end internal audit of Westgate-on-Sea Town Council for the year 2025.26. The audit took place on 12th May 2025, and I would like to express my thanks to the Town Clerk, Nabila Yakub, for her time and assistance during the audit process. The Council has continued to strengthen its management processes and controls through 2025/26, building on the stability it managed to achieve in 2024/25, and this was, again, evidenced through the findings of this audit. There are three risk areas that have been identified, although none of them directly impact the financial statements produced for the Annual Return, they are more procedural in nature. Where a risk has been identified a recommendation is provided for Council to consider alongside any alternate solutions that members identify.

The recommendations of this audit are highlighted within the report and are reproduced below for ease of reference:

1. Risk Management should be treated as an ongoing activity, with key risks (i.e. those scoring highest) being reported and discussed as a standing item at Full Council. Additionally, that the current risk rating be amended to consider Impact and Likelihood, with both being scored separately.
2. That the monthly reconciliation of Petty Cash is formally checked and signed off by Town Clerk / RFO
3. A Finance Report should be presented to each Full Council Meeting to include Transactions, YTD Income and Expenditure versus Budget (with variance analysis) and Bank Reconciliation. This reporting should give the members a full understanding of the financial position and performance of the Council. It is also recommended that the Finance submission to Full Council include a Payments List with invoices for sign off by Finance Chair or Chair

Alongside these recommendations, this Audit also makes the following suggestions to improve efficiency and reduce risk:

- A. Now that the Council is using Scribe it would be beneficial to attach invoices to the accounting record.

Item	Test	Comments / Findings	RAG Status	
Accounting Records	Personnel	<p>The team now comprise The Clerk who is also the RFO (Nabila Yakub), Administration and Events Officer (Ana Jagelo) and a Finance Officer (Christine Barton). Also engaged are a Social Media Consultant on a retainer basis, an HR and H&S Consultancy Service</p> <p>Four operatives / groundsmen are also on payroll</p> <p>HR Committee commissioned an independent review of staffing roles and salary levels from LCC. Budget also now in place to support professional training for each staff member with the Town Clerk due to undertake SILCA. Also, budget in place for Members training.</p>		
	Accounting System	The council have continued with the cloud-based Scribe accounting system for the year 25.26		
	Regularity of Bookkeeping	The current Finance Officer has only recently taken up post but has brought the accounts up to date after a short period in year when the team were without specialist financial input. She manages the bookkeeping on a daily basis as transactions occur. Bank Reconciliation on receipt of statement. Town Clerk / RFO performs oversight review of accounts on periodic basis.		
	Document Management	<p>Anything received electronically is printed for filing. All records kept both electronically and in paper format. Use made of SharePoint for storage of documents and sharing amongst members.</p> <p>Suggestion: Now that the Council is using Scribe it would be beneficial to attach invoices to the accounting record.</p>		
Compliance with Financial Regulations	Are the Fin Regs current and approved?	Yes, the Council are making use of the NALC standard set, reviewed and adopted on 21 st May 2025 at Full Council		
	Are Approval Limits applied consistently and is there evidence of this?	<p>The new regs have introduced changes Up to £500 Town Clerk, up to £2,000 The Clerk in concert with the Chair up to £5,000 a duly delegated committee (min 4 members), all items over £5,000 Full Council.</p> <p>Procurement limits £500 to £3,000 three estimates should be obtained where possible, contracts up to £30,000 three hard quotes to be sought, between £30,000 and £60,000 (inc VAT) ITT, over £60,000 open ITT</p>		

	Separation of Duties / Approval by Council	<p>There are four separate authorisers for the online bank (Unity Trust) who are separate to the inputter (of which there are two) this is the route for most payments. Still have access to cheque payment (2 signatures) system but hardly ever used but also have a petty cash for ad hoc payments.</p> <p>Council review transactions at each sitting as part of the Bank Reconciliation review.</p> <p>Suggestion: Finance Agenda Item – Payments list with invoices for sign off by Finance Chair or Chair</p>	
	Purchasing / Procurement quotes / tenders & Approvals over £5k	Procurement limits £500 to £3,000 three estimates should be obtained where possible, contracts up to £30,000 three hard quotes to be sought, between £30,000 and £60,000 (inc VAT) ITT, over £60,000 open ITT	
	Non-Standard Purchases under £5k	The same limits apply for all purchases whether standard or otherwise	
	General Adherence to Fin Regs not covered elsewhere	All known contracts and services agreement were accessible and were reviewed, all in order.	
Risk Management	<p>Council Risk Management</p> <ol style="list-style-type: none"> 1. Documentation / Matrix 2. Oversight by Council 3. Regular Review 	<p>There is a Risk Schedule in place, which scores risks as High, Medium or Low and includes the control / mitigating activity. The Risk Assessment is an annual process, this does not allow for any emerging risks or for any risk that changes in seriousness to be picked up until the annual review, which is contrary to the purpose of Risk management. It is noted that it has been agreed for the Risk Register to be reviewed on a quarterly basis going forward. Previous recommendation of including scoring based on likelihood and impact and also pre and post mitigating activities has now been adopted</p> <p>Recommendation: That Risks are reviewed on a regular basis at Full Council. Risk Management needs to be an ongoing activity, with key risks (i.e. those scoring highest) being reported and discussed as a standing item at Full Council.</p>	
	<p>Financial Risk Management</p> <ol style="list-style-type: none"> 4. Documentation / Matrix 5. Oversight by Council 6. Regular Review 	Not sufficient financial turnover to hold a separate register	

Budget Process	Annual Budget Approval	Approved January 2026, no significant increase in precept other to cover the lost income from Barclays who no longer rent the Hall for provision of community banking service	
	How was the budget developed?	Finance Chair reviewed the 25/26 YTD spend and estimated the 26/27 requirement from that. Budget taken through the Finance Committee a number of times for amendments and then through Full Council for approval.	
	Is the budget monitored & reported through the year?	Due to having no finance officer during most of the year there was no formal budget monitoring or expenditure reporting made to Council, other than the review of YTD expenditure at Finance Committee during the Budget Preparation period Recommendation: Full Budget Reporting is provided at each Full Council (and Finance Committee) to provide members with oversight of the Council Finances	
Income	Collection & Recording	Receive cash payment for allotments etc and the occasional cheque payment but mainly received through the bank. Cash recorded in the Petty Cash Book, record name, plot holder, date, amount and the officers provide a receipt to the resident The majority of income is direct into the bank account, aside from the Precept the majority of income is for Allotments and Hire of Sports Facilities.	
	VAT Accounting	VAT is recorded correctly on Scribe and Input VAT recovered from HMRC, intention to return to quarterly return / claim. Bookkeeping error discovered by officers in how two VAT claims had been treated as income, now corrected – impact on opening balances but annotated.	
Petty Cash	Physical security of PC	The maximum float carried in Petty Cash is £250, however a much lower amount is generally held. This is kept topped up from cash income receipts (any excess being banked). The facility is used for general minor office costs (Teas & Coffees), Replacement Locks and other items of low value emergency expenditure It was noted that the Petty Cash was kept in a locked drawer. There have been no recent instances of theft or similar so the decision on whether a 1hr fire safe is required can now be a purely local one.	
	PC Vouchers correctly used	PC Vouchers are used for each transaction and recorded, full records and receipts kept. Change of staff and lack of finance officer has impacted the monthly reconciliation of Petty Cash. The impact	

		<p>of this has led to a small amount of imbalance in the Petty Cash Reconciliation (more cash than accounted for) and following extensive review the cause of the imbalance has not been identified, it has been recommended to enter a balancing transaction to account for this additional income to allow a balanced opening position for 2026/27.</p> <p>Recommendation: Monthly reconciliation of Petty Cash to be done for sign off by Town Clerk / RFO</p>	
	Is the use of PC appropriate	Yes	
Payroll	Payroll System	External Contractor	
	Accuracy of payments (monthly check & approval)	Monthly check	
	Reconciliation of Pay, Pension & HMRC monthly	External Contractor provides this function	
	Timely returns and payments to Pension Co & HMRC	No historic issues and everything current has been submitted in a timely manner	
Fixed Assets	Fixed Asset Register	The Fixed Asset Register is in place detailing the items held and their individual values and is recorded in the Scribe Accounting System. The report is clear and holds all relevant detail.	
	Intangible / Investment Assets	None	
	Any Acquisitions / Disposals	No significant acquisitions although agreed to include the Pavillion as a zero transfer value asset	
	Appropriately Managed / Maintained	It is a clearly put together spreadsheet workbook with values and relevant information and is also recorded in the Scribe Accounting System	
Bank Account(s)	What Bank Accounts are there?	The Council holds a Current Account and a Higher Interest Instant Access Account with Unity Trust Bank. Both are online banking with separation of duties – i.e. separate inputter and approver (four signatories) required for each transaction	

	Are there any other mechanisms – PayPal etc	The Council uses Paypal, a Credit Card (through Lloyds) and Petty Cash	
	Are all Accounts regularly reconciled?	Yes the accounts have been reconciled at as the end of each month but as part of the year closure exercise, this should be carried out on a more regular basis	
	Are balances reported to Council regularly (i.e. Current Financial Position)	Annual Catch-up at Year-end for Bank Reconciliations. The most recent Bank Reconciliation should be reported at each Full Council meeting to provide assurance and oversight to members in respect of the Council’s financial management. Recommendation: That the most recent Bank Reconciliation is included in the financial reporting to Full Council.	
Accounting Statements – in year	Regular Budget Monitoring / Financial Position Statements	There has not been regular financial reporting of transactions or budget position to Full Council, although the YTD position was used by the Chair of Finance Committee as part of the 2026/27 budget setting. A more comprehensive report showing expenditure against budget and a forecast for the full year will provide members with the necessary oversight of financial performance and position against budget and provide them with an understanding of the financial position. Recommendation: A Finance Report should be presented to each Full Council Meeting to include Transactions, YTD Income and Expenditure versus Budget (with variance analysis) and Bank Reconciliation. This reporting should give the members a full understanding of the financial position and performance of the Council	
	Is there a Cllr that you liaise with iro In-Yr Finance?	Cllr Veck, Chair of Finance & General Purposes Committee has resigned and the replacement will be elected at the next Finance Committee meeting	
Exercise of Public Rights	Was the correct period observed for public scrutiny?	Yes, 16 th June to 25 th July 2025	
	Did the period span the first 10 days in July?		
	Has the Authority complied with the publication requirements?	Yes	

Council Meetings & Membership Policies	How Regular are Full Council Meetings?	Full Council is moving to be held every 6 weeks from a monthly cycle	
	How regular are Sub-Meetings (Finance, Planning, HR etc)?	There are a number of Committees, including Finance & General Purpose; Human Resources; Events, Tourism & Developments; and Planning Highways & Environment. F&GP and HR meet every other month and the rest monthly, all meetings' agendas and minutes published on the website (agendas also displayed on public notice boards). Also use made of wider social media	
	Recording of Meetings	Minutes are published on the Council's website	
	Is there an Authority Register / Sample Signatures with Approval Amounts?	Sample Signatures are held on the Bank Mandate forms	
	Are all the published Policies current? And is the list complete?	Yes, the Standing Orders and Financial Regulations were revised and approved at Full Council in May 25 and also reviewed and approved for 26/27 at Full Council in May 26. The remaining policies are in an ongoing permanent review process through the various Committees and Full Council.	
	What is the Review Cycle for Policies?	Annual, staggered	
	Who writes the Policies and is there liaison with Cllrs prior to them going for approval?	It is the Town Clerk's role to review an draft update policies and they are circulated to Councillors prior to going for approval	
Website	Does the Website carry the necessary documents and information?	Yes all relevant documents are on the website.	
	Is the information on the Website current and up to date? Who manages it?	The Clerk manages the publication of information on the website, and it is up to date	
	Accessibility	It is relatively easy to read and navigate and by holding ctrl and scrolling with the mouse wheel it is possible to enlarge the text but there is no Accessibility Menu that the Auditor could find	

	Is it easy to navigate?	Yes, the menu options are straight forward and self-explanatory	
Insurance		In place and full cover with accurate Statement of Facts. Due renewal in August 26, due to low cost it would be reasonable to propose automatic renewal to Full Council should the premium remain stable.	

Signed:



Roger Taylor CGMA ACMA (Popplett Taylor Consulting Ltd)

Dated:

12th May 2026