

COMMUNITY COUNCIL INTERNAL AUDIT TESTING  
LLANGAMMARCH COMMUNITY COUNCIL  
INTERNAL AUDIT REPORT

INTERNAL AUDITOR: RICHARD MEARS

REVIEWED: 27<sup>th</sup> April 2025

FINANCIAL YEAR ENDING: 31<sup>st</sup> MARCH 2025

INTERNAL CONTROL	SUGGESTED TESTING	FINDINGS	RECOMMENDATIONS
<b>PROPER BOOKKEEPING</b>	Are the accounts maintained and up to date?	Yes – the Council use an excel spreadsheet for accounting and reconciliation purposes	
	Are the accounts arithmetically, correct?	The system self-balances.	
	Are the accounts regularly balanced?	The system self-balances. Accounts are reconciled each month, signed by the Clerk and Counter signed by the Chair	
<b>A) STANDING ORDERS AND FINANCIAL REGULATIONS ADOPTED AND APPLIED; AND B) PAYMENTS CONTROLS</b>	Has the council formally adopted standing orders and financial regulations?	Copies of both the Standing Orders and Financial Regulations are contained within the audit file presented were reviewed and minuted at the 6 <sup>th</sup> November 2024 meeting	

INTERNAL CONTROL	SUGGESTED TESTING	FINDINGS	RECOMMENDATIONS
	Has a Responsible financial officer been appointed with specific duties?	Sue Lilley is the Clerk and RFO to the Council and she has a contract and a job description outlining her duties originally issued 1/11/2017 and re-issued on 12/01/2022	
	Have items or services above the de minimus amount been competitively purchased?	N/A	
	Are payments in the cashbook supported by invoices, authorised and minuted?	Yes – all payments were supported by documentary evidence and approved by the Council before payment.	
	Has VAT on payments been identified, recorded and reclaimed?	Yes – claims were submitted to HMRC during the year.	
	Is s137 expenditure separately recorded and within statutory limits?	None	
RISK MANAGEMENT ARRANGEMENTS	Does a review of the minutes identify any unusual financial activity?	None seen.	.

INTERNAL CONTROL	SUGGESTED TESTING	FINDINGS	RECOMMENDATIONS
	Do minutes record the council carrying out an annual risk assessment?	<p>At the EGM Meeting 3<sup>rd</sup> May 2023 it is recorded that Risk assessments checked and agreed.</p> <p>A comprehensive Risk Assessment schedule was presented for the Audit covering Financial, legal Powers, Training, Assets, Staff, H&amp;S, Counsellors etc dated and Adopted 9<sup>th</sup> May 2019 and confirmed 12<sup>th</sup> May 2021 an updated in 2024</p> <p>Risk Assessment for following were provided for the audit:</p> <ul style="list-style-type: none"> <li>• Volunteers</li> <li>• Playground working group</li> </ul>	
	Is insurance cover appropriate and adequate?	<p>Insurance policy with Clear Councils Insurance paid for the year ended 31<sup>st</sup> May 2025 – Policy No. LC000220 for Employers Liability (£10M) and Public and Products Liability (£10M).</p> <p>Property and Items insured Away from property Insurance is for £48,753</p>	
	Are internal financial controls documented and regularly reviewed?	<p>Yes – The Chair countersigns the monthly reconciled accounts.</p> <p>Most payments are made online through the Barclays bank online accounting system. Only one cheque was issued during this financial period.</p>	

INTERNAL CONTROL	SUGGESTED TESTING	FINDINGS	RECOMMENDATIONS
<b>BUDGETARY CONTROLS</b>	Has the council prepared an annual budget in support of its precept?	At its meeting on 6 <sup>th</sup> November 2024 the Council agreed a budget for 2025-26.	
	Is actual expenditure against the budget regularly reported to the council?	Running budget reports are presented to each meeting of the council.	
	Are there any significant unexplained variances from budget?	All variances detailed and explained in Explanation of Variances document	
<b>INCOME CONTROLS</b>	Is income properly recorded and promptly banked?	Yes	
	Does the precept recorded agree to the Council Tax authority's notification?	Yes - £11,800 was requested and £11,800 received from Powys County Council in three tranches.	
	Are security controls over cash and near-cash adequate and effective?	No cash transactions. Only one cheque was issued during the year.	
<b>PETTY CASH PROCEDURES</b>	Is all petty cash spent recorded and supported by VAT invoices/receipts?	There is no petty cash.	

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	Is petty cash expenditure reported to each council meeting?	Not applicable.	
	Is petty cash reimbursement carried out regularly?	Not applicable.	
<b>PAYROLL CONTROLS</b>	Do all employees have contracts of employment with clear terms and conditions?	A copy of Sue Lilley's contract was presented for this Audit originally issued 1/11/2017 and re-issued on 12/01/2022	
	Do salaries paid agree with those approved by the council?	Yes	
	Are other payments to employees reasonable and approved by the council?	Only other payments seen are for expenses which are supported by claims and receipts.	
	Have PAYE/NIC been properly operated by the council as an employer?	Yes – Confirmation seen on monthly payslips of salary and PAYE which is then paid by Online transfer.	
<b>ASSET CONTROLS</b>	Does the council maintain a register of all material assets owned or in its care?	Yes. Asset register presented for the Audit and reviewed at 6 <sup>th</sup> March 2024 meeting	

INTERNAL CONTROL	SUGGESTED TESTING	FINDINGS	RECOMMENDATIONS
	Are the assets and Investments registers up to date?	<p>Yes – new benches added this year.</p> <p>Current estimates are:</p> <ul style="list-style-type: none"> <li>• Riverside Gardens &amp; patio area</li> <li>• Benches</li> <li>• Noticeboards</li> <li>• Playground &amp; equipment</li> </ul> <p>To the value of £40,448</p>	
	Do asset insurance valuations agree with those in the asset register?	Yes - Property and Items insured Away from property Insurance is for £48,753	
<b>BANK RECONCILIATION</b>	Is there a bank reconciliation for each account?	Yes	
	Is a bank reconciliation carried out regularly and in a timely fashion?	Yes – Signed by the Clerk monthly and Counter signed by the Chair. Presented to the Councillors at their meetings	
	Are there any unexplained balancing entries in any reconciliation?	No.	
	Is the value of investments held summarised on the reconciliation?	No cash holdings or investments other than the current account	
<b>YEAR-END PROCEDURES</b>	Are year end accounts prepared on the correct accounting basis (Receipts and Payments or Income and Expenditure)?	Receipts and Payments basis used.	

INTERNAL CONTROL	SUGGESTED TESTING	FINDINGS	RECOMMENDATIONS
	Do accounts agree with the Bank Statements?	Yes	
	Is there an audit trail from underlying financial records to the accounts?	Yes – appropriate trail in place.	
	Where appropriate, have debtors and creditors been properly recorded?	Not applicable.	
OTHER ISSUES	Is the Council registered with the Information Commissioner?	Yes – registration number ZA324719 expiring 6 <sup>th</sup> March 2026	
	What arrangements does the Council have for the back up of computer files?	Files are backed up onto an encrypted external hard drive	
	Does the Council have responsibility for any Trust Funds? If so, are they independently examined?	N/A	

Signed



Date: 27<sup>th</sup> April 2025