

COMMUNITY COUNCIL INTERNAL AUDIT TESTING
LLANGAMMARCH COMMUNITY COUNCIL
INTERNAL AUDIT REPORT

INTERNAL AUDITOR: RICHARD MEARS

REVIEWED: 10th April 2022

FINANCIAL YEAR ENDING: 31st MARCH 2022

INTERNAL CONTROL	SUGGESTED TESTING	FINDINGS	RECOMMENDATIONS
PROPER BOOKKEEPING	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	
A) STANDING ORDERS AND FINANCIAL REGULATIONS ADOPTED AND APPLIED; AND B) PAYMENTS CONTROLS	Has the council formally adopted standing orders and financial regulations?	Standing Orders and Financial Regulations were reviewed at the 12 th May 2021 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	
	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 Annual Meeting 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&S, Counsellors etc dated and Adopted 9th May 2019 and confirmed 12th May 2021.</p> <p>Risk Assessment for following were provided for the audit:</p> <ul style="list-style-type: none"> • Toilets at Tan y Deri 2020 and Covid-19 extra measures signed 12th May 2021 • Resumption of Face to Face meetings RA dated 1st June 2021 and signed. • Carol service RA signed 25th November 2021 	
	Is insurance cover appropriate and adequate?	Insurance policy with BHIB Insurance for the year ended 31 st May 2022 through Aviva Insurance Ltd. With Public Liability Insurance of £10M.	
	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>	

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BUDGETARY CONTROLS	Has the council prepared an annual budget in support of its precept?	At its meeting on 10 th November 2021 the Council agreed a budget for 2022/21.3	
	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?	There are variances under Total other Payments (-42%) ands Total cash and Investments (+30%) but none are unexplained	
INCOME CONTROLS	Is income properly recorded and promptly banked?	Yes	
	Does the precept recorded agree to the Council Tax authority's notification?	Yes - £10,800 was requested and £10,800 received from Powys County Council in three tranches.	
	Are security controls over cash and near-cash adequate and effective?	No cash transactions. Cheque was cashed in a timely manner	
PETTY CASH PROCEDURES	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.	
PAYROLL CONTROLS	Do all employees have contracts of employment with clear terms and conditions?	Sue Lilley's contract was presented for the Audit	
	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.	
ASSET CONTROLS	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 th May 2020 meeting and valuation are as at January 2021	

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	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"> • Riverside Gardens & patio area • Benches • Noticeboards • Playground & equipment <p>To the value of £34,468</p>	
	Do asset insurance valuations agree with those in the asset register?	Yes	
BANK RECONCILIATION	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	
YEAR-END PROCEDURES	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 2 nd March 2022.	
	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: 10th April 2022