



Item No. 6

Llangyfelach Community Council - 9 July 2020

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Internal Auditors Report for Year Ended 31 March 2020

1. Internal Auditor

1.1 The Internal Auditor for Llangyfelach Community Council is Ronald Dolbear.

2. Internal Auditors Report

2.1 The Internal Auditors Report is attached as **Appendix A** to this report.

Huw Evans
Clerk to Llangyfelach Community Council
30 June 2020

Internal Audit Report

To the Members of the Llangyfelach Community Council

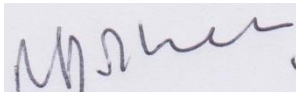
I have conducted an internal audit of the financial statements of the Council for the year ended 31st March 2020. Set out below are the areas covered during the audit and any matters arising.

1. **Books of Account**
I have examined the Excel Spreadsheet prepared by the new clerk. The entries are supported by filed vouchers in all cases. Due to extended illness of old Clerk the budget reporting system stopped. I am assured by the new Clerk that a robust budget making and reporting system will be reintroduced for 2020-2021.
2. **Financial Regulations and VAT**
The financial records support the accounts and have been properly authorised by Council.
3. **Risk Assessment**
Council minutes demonstrate that its activities are regularly reviewed and appropriate consideration is given to risks and benefits of its decisions. The Council has appropriate insurance to cover its risks and liabilities arising from its activities.
4. **The Annual Precept Process**
See comments in paragraph 1. Major purchases of a bench, defibrillator and children's playground equipment has resulted in a small reduction in the Council's reserves but more needs to be done to relate the Councils budget process to community outcomes.
5. **Income and VAT**
The expenditure spreadsheet properly records VAT and the new Clerk will seek to recover this amount in due course.
Exceptionally low interest rates fail to protect the value of reserves as in point 4 it is better to utilize them in line with Council objectives.
6. **Petty Cash**
No formal petty cash arrangements exist. The extended absence of the old Clerk has meant last year's recommendation to implement a petty cash system has not been followed up.
7. **Salaries**
The Clerks salary and related HMRC payments were reconciled to the Clerks annual P60.

Cyngor Cymuned **Llangyfelach** Community Council

8. Asset Register
The asset register was examined and I am satisfied that it is current and up to date.
9. Financial Reporting
The Council receives regular reports of income and expenditure, but a budget monitoring system is not used as described in paragraph 1 and paragraph 4.
10. Recommendations
 - 1) The Council develops spending plans annually in line with the precept to ensure reserves do not become disproportionate to need; alternatively reduces the precept demand in line with its annual spending needs.
 - 2) A robust budget making, and monitoring process be introduced for 2020/2021.

Ronald Dolbear CPFA

A handwritten signature in black ink, appearing to read 'R. Dolbear', is written over a light grey rectangular background.