



## Item 24

Council - 11 May 2023

### Internal Auditors Report 2022-2023

#### 1. Internal Auditor

- 1.1 The Internal Auditor for Llangyfelach Community Council is Ronald Dolbear.
- 1.2 The Annual Meeting of Council held on 13 May 2021 resolved that he be retained as Internal Auditor with his term ending with his Internal Audit Report for the Financial Year Ending 31 March 2024.

#### 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**

## **Internal Audit Report**

To the Members of Llangyfelach Community Council

I have conducted an internal audit of the financial statements of the Council for the year ended 31<sup>st</sup> March 2023. Set out below are the areas covered during the audit and any matters arising.

**1. Books of account**

I have examined the financial statements generated from the Councils Accounting Software. A 100% sample of entries were vouched to the bank statements. The clerk provided digital copies of all supporting documents.

**2. Financial Regulations and VAT**

The financial records support the accounts and have been properly authorised by Council. The Council has received regular finance reports on all income and expenditure and regular bank reconciliations. My examination showed that the Clerk reports income and expenditure to the Finance Committee and the Council. Given the size and complexity of the council's affairs members may wish to consider streamlining its bureaucratic structure by incorporating the work of the Finance Committee into Council business.

**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 Processes**

The accounts demonstrate that the Council continues to develop plans and budgets to meet the needs of the community with balances falling another £7,000 during the year. Examination of the end of year variation report (a comparison of budget and actual expenditure and income) shows that some budget heads remain dormant i.e., unspent and unlikely to be spent and the reduction in reserves of £7,000 compares with a budget reduction of some £20,000. Members should consider revising the budget making process to include a revision process that allows dormant budgets to be moved or removed and other programmes to be slowed or expanded to reduce overspends or underspends. I have discussed this with the Clerk who will bring recommendations to you in due course.

**5. Income and VAT**

The accounting software properly records VAT and the appropriate refund has been claimed in respect of 2022/2023.

**6. Salaries**

The Clerks salary and related HMRC payments were reconciled to the Clerks annual P60. Pension contributions to Swansea Council were examined and found to agree with that Councils superannuation scheme.

**7. Asset Register**

The asset register was examined, and I am satisfied that it is current and up to date.

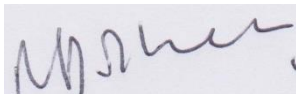
**8. Financial Reporting**

The Council receives regular reports of income and expenditure, and a detailed budget monitoring system is in place.

**9. Recommendations**

- 9.1 The Council continues to develop spending plans annually in line with the precept need.
- 9.2 The Council considers making the function of the Finance Committee part of full Council.
- 9.3 The Council considers introducing a budget revision process to ensure flexibility in efficient and effective budget delivery.

**Ronald Dolbear CPFA**



26<sup>th</sup> April 2023