



Item 16

Council - 4 June 2024

Internal Auditors Report 2023-2024

1. Internal Auditor

- 1.1 The Internal Auditor for Llangyfelach Community Council is Ronald Dolbear.
- 1.2 The Annual Meeting of Council held on 9 May 2024 resolved that he be retained as Internal Auditor with his term ending with his Internal Audit Report for the Financial Year Ending 31 March 2027.
- 1.3 The Internal Auditors fee is £330 per annum for 2024-2027.

2. Internal Auditors Report

- 2.1 The Internal Auditors Report is attached as **Appendix A** to this report.
- 2.2 The Internal Auditors Report is mainly positive; however, he makes the following recommendations:
 - The Council develops a vision statement to better match funding to aspirations.
 - The Council continues to develop spending plans annually in line with the precept need.
 - The Council considers introducing a budget revision process to ensure flexibility in efficient and effective budget delivery.

3. Recommendation. It is recommended that:

- 3.1 The Internal Auditor be thanked for the report and paid his fee of £300.
- 3.2 The views of Council are sought.

Huw Evans (PSLCC)
Clerk to Llangyfelach Community Council

Internal Audit Report - Year Ended 31 March 2024

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 2024. 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 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. The VAT reclaim form was checked and it reconciles to the financial cash book.

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 has in place systems and procedures to deliver the budget.

The Councils budget monitoring system allows for flexibility in moving underspends to areas where funding is required, or programmes could be introduced.

Nevertheless, the outturn for 2024 shows that an underspend of some £9,000 has arisen taking reserves up to £26,000. The 2024-2025 budget does not address this issue and so reserves could again be too high in 2025.

5. Income and VAT.

The accounting software properly records VAT and the appropriate refund has been claimed in respect of 2023-2024.

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 council's superannuation scheme.

7. Asset Register.

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

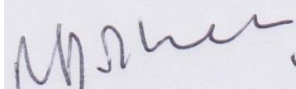
8. Financial Reporting.

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

9. Recommendations.

- 9.1 The Council develops a vision statement to better match funding to aspirations.
- 9.2 The Council continues to develop spending plans annually in line with the precept need.
- 9.3 The Council considers introducing a budget revision process to ensure flexibility in efficient and effective budget delivery.

Ronald Dolbear CPFA



7th May 2024