

INTERNAL AUDIT REPORT
LLYSFAEN COMMUNITY COUNCIL 2022/23

The internal audit is carried out by the following testing of the internal controls specified on the Annual Return for local councils in Wales:

- Checking that books of account have been properly kept throughout the year
- Checking a sample of payments to ensure that the Council's financial regulations have been met, payments are supported by invoices, expenditure is approved, and VAT is correctly accounted for
- Reviewing the Council's risk assessment and ensuring that adequate arrangements are in place to manage all identified risks
- Verifying that the annual precept request is the result of a proper budgetary process; that budget progress has been regularly monitored and that the council's reserves are appropriate
- Checking income records to ensure that the correct price has been charged, income has been received, recorded and promptly banked and VAT is correctly accounted for
- Reviewing petty cash records to ensure payments are supported by receipts, expenditure is approved and VAT is correctly accounted for
- Checking that salaries to employees have been paid in accordance with Council approvals and that PAYE and NI requirements have been properly applied
- Checking the accuracy of the asset and investments registers
- Testing the accuracy and timeliness of periodic and year-end bank account reconciliation(s)
- Year-end testing on the accuracy and completeness of the financial statements
- Where the Council is sole trustee of a charity, checking that the Council has procedures in place to meet its responsibilities as a sole trustee

Conclusion

On the basis of the internal audit work carried out, which was limited to the tests indicated above, in our view the council's system of internal controls is in place, adequate for the purpose intended and effective, subject to the issues reported in the action plan overleaf. As part of the internal audit work for the next financial year we will follow up all recommendations included in the action plan.

JDH Business Services Limited 24/05/2023

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ACTION PLAN

	ISSUE	RECOMMENDATION	FOLLOW UP
1	<p>Testing of payments identified the following:</p> <ul style="list-style-type: none"> - Invoices/ letter of receipt were not on file for the payments made in respect of 'cemetery walkthrough fees' - The cash book records a description of a payment but does not record who the payment is made to. 	<p><i>Invoices/ receipts should be obtained for all payments.</i></p> <p><i>The cash book should record who the payment is made to.</i></p>	
Follow up of 2021/22 internal audit recommendations			
1	<p>We could not identify minuted approval for the payment for the cemetery container. Minute 9817 refers to authorisation for purchase of the container for £4600 which was prior to the container purchase date (the actual cost was £4410) .</p>	<p><i>All payments should be approved and minuted.</i></p>	Implemented
2	<p>Testing of burial income identified that a burial receipt had been issued for an incorrect amount.</p> <p>The Clerk informed us that the receipt had not yet been sent out and reissued a receipt for the correct amount during the</p>	<p><i>Receipts should be issued for the correct amount received.</i></p>	Implemented

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