

*Lyn Llewellyn Internal Audit Service*

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10<sup>th</sup> May 2021

The Chairperson  
Llangunnor Community Council  
c/o 59 Nantyrarian  
Carmarthen  
SA31 3JQ

Dear Council Chairperson

**Internal Audit Report for the year ended 31<sup>st</sup> March 2021**

**Purpose of the Audit**

The purpose of the audit was to review the financial propriety and governance arrangements of the Council in accordance with proper practices as set out in the One Voice Wales/Society of Local Council Clerks publication "Governance and Accountability for Local Councils in Wales – A Practitioners' Guide (2019 Edition)

**Main Findings**

All the control objectives tested proved to be satisfactory and as a result there are no matters I need to bring to the attention of your Council on this occasion. My conclusions are reflected in the internal auditor's report on pages 6 and 7 of the 2020/21 Annual Return.

**Audit Opinion**

Assurance can be expressed in the governance arrangements and the financial statement of Llangunnor Community Council for the financial year 2020/21.

**Acknowledgements**

I would like to take this opportunity to thank the outgoing Clerk, Mr Clive Thomas, for his help and co-operation with the completion of the audit.

I attach my invoice for your kind attention in due course.

Yours sincerely

  
Lyn Llewellyn  
Internal Auditor

**Name of Council: Llangunnor Community Council**

**Financial Year: 2020/21**

**Internal Control /** Testing carried out by Internal Audit confirmed the following:

**Proper bookkeeping**

Cashbook maintained and up to date.  
Cashbook arithmetic correct.  
Cashbook regularly balanced.

**Standing Orders and financial regulations adopted and applied**

Council formally adopted standing orders and financial regulations.  
The Clerk has been appointed Responsible Financial Officer.  
Items or services above the de minimis amount have been competitively purchased.

**Payments Controls**

Payments in the cashbooks are supported by invoices, authorised and minuted.  
VAT on payments have been identified, recorded and reclaimed.  
S137 expenditure separately recorded and within statutory limits.

**Risk Management Arrangements**

Review of the minutes do not identify any unusual financial activity.  
Minutes record the Council carrying out an annual risk assessment.  
Insurance cover is appropriate and adequate.

**Budgetary Controls**

Council has prepared an annual budget in support of its precept.  
Actual expenditure against the budget has been reported to the Council.  
There are no significant unexplained variances from budget.

**Income Controls**

Income is properly recorded and promptly banked.  
The precept recorded agrees to the Council Tax authority's notification.  
Security controls over cash and near-cash adequate and effective.

**Petty Cash Procedures**

All petty cash spent recorded and supported by VAT invoices/receipts.  
Petty cash expenditure reported to each council meeting.  
Petty cash reimbursement carried out regularly.

**Payroll Controls**

The Clerk has a contract of employment with clear terms and conditions.  
Salary paid agrees with that approved by the council.  
Other payments to the Clerk are reasonable and approved by the council.  
PAYE/NIC has been properly operated by the council as an employer.

**Assets Controls**

The council maintains a register of all material assets owned or in its care.  
The asset register is up to date.