

*Lyn Llewellyn Internal Audit Service*

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12<sup>th</sup> March 2024

The Chairperson  
Llangunnor Community Council  
c/o Llys Awelon  
Heol Cae Gwyn  
Drefach  
Llanelli  
SA14 7BB

Dear Council Chairperson

**Internal Audit Report for the year ended 31<sup>st</sup> March 2023**

**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**

I wish to bring the following matters to the Council's attention –

1. Committee minutes should be formally approved by Council.
2. Council minutes should be signed by the Chairman of the Council and not the Clerk.
3. There was no annual Risk Assessment undertaken during 2022/23. – *Find + attached.*
4. The Council should adopt the latest Financial Regulations recommended by One Voice Wales.
5. The VAT return for 2022/23 should be completed as soon as possible.
6. The financial statement for the year ended 31<sup>st</sup> March 2023 does not balance. The difference should be located and rectified. – See the Annual Return

My other conclusions are reflected in the internal auditor's report to be found in the 2022/23 Annual Return.

**Audit Opinion**

Assurance can be expressed in the financial statement and governance of Llangunnor Community Council, subject to the findings noted above, for the financial year 2022/23.

**Acknowledgement**

I would like to take this opportunity to thank the Clerk, Mr Howard Davies, 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: 2022/23**

**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 has 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 cashbook are supported by invoices, authorised and minuted.  
VAT on payments have been identified, recorded but not reclaimed as at 12/03/2024.  
S137 expenditure separately recorded and within statutory limits.

**Risk Management Arrangements**

**The Annual Risk Assessment has not been completed and approved during the year 2022/23.**

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 quarterly to the Finance Committee.  
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 notifications and bankings.  
Security controls over cash and near-cash adequate and effective.

**Petty Cash Procedures**

Not applicable.

**Payroll Controls**

Payroll services are provided by a local firm of chartered accountants.  
The Clerk has a contract of employment with clear terms and conditions.  
Salary and members expenses 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.