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29 April 2024

Llanyblodwel Parish Council

Ladies and Gentlemen

I have been appointed as your Internal Auditor and am employed by the Council to conduct such tests as are agreed and are sufficient to enable me to complete the Internal Auditor's Report contained within the Audit Commission's Annual Return Form for the appropriate financial year.

My report this year is again based on the Guide issued by the Joint Panel on Accounting Guidance (JPAG). Whilst the tests I have made are taken from the Practitioners' Guide, they are relevant to the various headings on the Annual internal audit report. I have again given my rationale for the answers given on that report.

A. Appropriate accounting records have been kept properly throughout the financial year.

Appropriate books of account have been kept properly throughout the year. A Cash Book is maintained, is up to date, regularly balanced and the reconciliation of the cash book balance and the bank statement is agreed and duly minuted. The books are made up to 31st March 2024 and were audited by me on 29th April 2024.

B. This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.

I checked the Income received and also the invoices paid, together with a sample of the payment transactions and found them to be satisfactory. Where applicable, prior to authorisation, the invoice is checked by the Clerk. The cheque signatories have assured themselves that the invoice is appropriate for payment and that the invoice and cheque are in agreement as to payee and value. VAT on payments has been identified and recorded separately. The Standing Orders, Financial Regulations, Code of Conduct and all other policies and procedures under which the Council operates were reviewed and adopted at the January 2024 meeting of the Council under minute 09/24.

C. This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.

The Council assessed the significant risks to achieving its objectives and has a detailed Risk Register which encompasses the Risk Management, Risk Assessment and Internal Control functions. This was also reviewed and adopted at the January meeting under minute 09/24.

The existing Insurance cover, for which a three year contract is in operation, was discussed at the July meeting under minute 64.23.e. The insurance now runs from 31 August 2023 to 31st August 2024.

D. The precept or rates requirement resulted from an adequate budgetary process, progress against the budget was regularly monitored and reserves were appropriate.

A budget was drawn up and was discussed and approved by the Council at their meeting on 11th January 2024, see minute 08/24.c. The reserves of the Council were discussed in 2021 and it was proposed that a general reserve of 100% of the net revenue expenditure should be maintained. The reserves of the Council are carefully monitored and are well within the limits set previously by the council. The budget proposals were discussed and a net expenditure budget of £13055 was set. A precept of £12,650 was requested. Progress is regularly monitored see minutes 64.23.d., 93.23.d., 07.24.d. This latter was obviously monitored in January when the budget for 2024-25 was discussed and approved.

E. Expected income was fully received, based on correct prices, properly recorded and promptly banked, and VAT was appropriately accounted for.

All income has been received, is properly recorded and promptly banked where applicable. The recorded precept agrees to the Council Tax authority's notification. The council does not deal in cash or near cash items. VAT has been properly accounted for, and a claim for the year to 31st March 2023 totalling £901.85 was made and the refund credited to the Council's account in May 2023. A claim for 2023-24 was made in April 2024 and a refund is expected and its receipt will, as usual, be monitored.

F. The smaller authority does not operate a petty cash system.

G. Salaries to employees and allowances to members were paid in accordance with this authority's approvals, and PAYE and NI requirements were properly applied.

The existing clerk has a Contract of Employment, which is based on the NALC model. Salaries to the Clerk and allowances to members were paid in accordance with council approvals, and PAYE and NI requirements were properly applied and payments to HMRC are up to date.

H. Asset and investment registers were complete and accurate and properly maintained.

The council has an Asset register which is complete and accurate and properly maintained. The latest register is dated 31st March 2024. The assets position was discussed at the May 2023 meeting under minute 48.23.h. In addition, the Council also has a comprehensive Asset Inspection Schedule and discussions on Asset Management are continuously monitored. The assets of the Council are stated as £16,729.86. The council does not have an investment register as it has no investments.

I. Periodic bank account reconciliations were properly carried out during the year.

Periodic reconciliations have been carried out, as has a final year end reconciliation. These have been duly discussed by the Councillors, see minutes of each meeting for further details.

J. Accounting statements prepared during the year were prepared on the correct accounting basis, (receipts and payments or income and expenditure), agreed to the cash book, supported by an adequate audit trail from underlying records, and where appropriate debtors and creditors were properly recorded.

Accounting statements have been prepared on the correct accounting basis (Receipts and Payments). The accounts are supported by an audit trail. At the year-end there are no unexplained balancing entries in the reconciliation. The value of investments held is not applicable. At the year end, there is an original bank statement for the all the accounts and a reconciliation has been done for each.

K. If the authority certified itself as exempt from a limited assurance review in 2022/23, it met the exemption criteria and correctly declared itself exempt.

The authority did certify itself as exempt from a limited assurance review in 2022/23, see minutes 50.23.b.

L. The authority published the required information on a website/webpage up to date at the time of the internal audit in accordance with any relevant legislation.

The authority publishes the relevant up to date information required on the authority's website.

M. In the year covered by this AGAR, the authority correctly provided for a period for the exercise of public rights as required by the Accounts and Audit Regulations. (during the 2023/24 AGAR period, were public rights in relation to the 2022/23 AGAR evidenced by a notice on the website and/or authority approved minutes confirming the dates set).

This exercise was correctly provided for and the exercise was duly minuted.

N. The authority has complied with the publication requirements for 2022/23 AGAR. (see AGAR Page 1 Guidance Notes).

The authority has complied with the publication requirements.

O. Trust Funds (including charitable) – The council met its responsibilities as a trustee.

The Council does not have any trust funds.

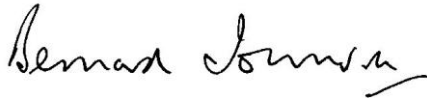
Conclusion.

I have marked all the categories on the internal audit form as conforming to the required standard on the basis that under risk management there is little, or no risk attached to the council from any of the comments I have made.

I mentioned previously that the bold headings were from my internal audit report and they, together with the points I commented upon in my report should provide the basis on which the council's own internal controls are set. The Council's Internal Control mechanism is very efficient, and I would again like to place on record my thanks to Councillor Counsell for undertaking the Internal Control Check.

From my internal audit testing there is no evidence of any irregularities, and I would like to thank the Clerk for the very professional way she has produced the records and vouchers for this internal Audit.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Bernard Townson', with a stylized flourish at the end.

Bernard Townson
Internal Auditor
29th April 2024