

Adroddiad yr Archwilydd Mewnol

Cyngor Tref Aberteifi

Internal Audit Report

2025-26

Cardigan Town Council

Date of Audit Visit: 22nd April 2026

Name of Clerk: Mrs Eleri Maskell

Annual Precept 2025-26: £99,024.20

1. RECORDS, ACCOUNTING AND ADMINISTRATION

The Clerk fully co-operated with the audit and provided all the requested records and documents. A number of documents were made available in advance of the audit in order for a full audit plan to be prepared, with further records being made available during the audit and afterwards.

The Clerk has ensured that all reports and minutes have been published as appropriate, including the previous year's Annual Return and minutes of monthly meetings.

The standard of records kept ensured that the audit could be carried out with few issues and where there were areas discovered that could be improved; the potential improvements were discussed and taken on board with plans made on how these can be changed in the future.

2. STANDING ORDERS AND FINANCIAL REGULATIONS

The financial regulations had been reviewed on 4th March 2025 and the standing orders have been discussed and checked and although will be again reviewed in the future, the cost implication of regular amendments would outweigh any benefits. It was decided that any changes would be made when the impact of said changes would be significant enough to justify making the changes to the document.

3. EXPENDITURE AND INCOME CONTROLS

All expenditure is approved by the council and recorded in the minutes of meetings. A sample of three expenses were selected from the records (spreadsheet) and invoices were produced and payments confirmed on the bank statements and meeting minutes were checked to ensure that all were discussed in meetings. Invoices are kept in date order and bound annually. VAT is recorded and accounted for correctly on the purchases and the recovered from HMRC at the appropriate time.

Income is reported to the council when received and recorded in the minutes of the meetings. A sample was again selected and invoices and proof of banking were requested. The record keeping in relation to the sales has improved significantly over the past years and the invoices making the review of sales invoices easier. These again were checked against the transactions on the bank statements and against meeting minutes.

4. AUDIT TRAIL CHECKS BY MEMBERS

As a procedure of good practice, random checks of audit trails are carried out by members; purchases are selected and paperwork and payments are checked against the supporting paperwork. This ensures that the correct procedures are in place and are followed.

5. SECTION 137 DONATIONS

No donations were received during the year and therefore no comment can be made on donations received.

6. PETTY CASH RECORDS

Although no purchases are made with petty cash, there is income taken via cash. Namely, stalls during the annual fair paying for pitches. These have proven difficult to check in previous years, however the recommendation from previous year's audit has been taken on board. There is a record relating to the cash takings and the full amount was banked with none needed to be held back as no cash purchases are made. The amount collected and banked was reported to councilors in a meeting and is noted in the minutes.

7. BUDGETARY CONTROLS AND RESERVES

An annual budget is prepared by the Clerk and is presented to the council in the January meeting and is then updated every three months and again presented in a meeting. Variances are reported and can be explained.

8. PAYROLL RECORDS

The Clerk's salary is approved by the Council and is within the terms of the National Agreement. The Clerk complies with payroll regulations by processing the payroll and making submissions to HMRC through the HMRC Basic PAYE Tools software. Paperwork relating to the Clerk's salary and National Insurance contributions are printed and are filed with the purchase invoices.

The Clerk's salary has increased during the period with the council having agreed that an increase in hours was required in order for the Clerk to fulfil their role in the most effective way for the community.

9. ASSETS CONTROLS

The Clerk maintains an asset register with the cost of the asset along with a valuation of what the asset is insured for. Assets are not depreciated to comply with regulations for Councils. A revaluation was carried out during the resulting in an increase in assets held due to the value of a number of items being increased. This is likely to be due to the historic value being carried forward over a number of years and the value of some items increasing over time.

10. RISK MANAGEMENT

An appropriate risk assessment is carried out and discussed at meetings; for the current year, the assessment was discussed in the February meeting which was minuted and agreed. For any major risks identified, insurances are taken out or policies are put in place to minimise the risk.

11. UNUSUAL FINANCIAL ACTIVITIES

There does not appear to be any unusual financial matters or responsibilities affecting the Council.

12. CHARITABLE TRUSTS

The Council acts as a Trustee for the King George V Playing Field (Charity No. 509062). Transactions relating to the Charity are processed through the Council's books as many of the transactions (especially purchases) are for both the playing field and the town itself, an estimate is made for the split of these purchases and are shown as such on the face of the profit and loss account.

An approved annual return for the Charity was prepared for 2024 and submitted on 24 June 2025.

13. AUDIT RECOMMENDATIONS

Prior to the audit, the Clerk advised that there was an error on the annual return of £1 which was investigated during the audit and discussed. Through the investigation it was discovered that there was a rounding issue when combining various items of expenditure to include on the annual return. It was therefore decided that the appropriate action was to include a rounded up figure on 4 of the report.

Additional recommendations to review and implement moving forward are as follows:

In the annual return, further information should be included for variances. The figures should be included and not just a brief description of the cause.

It is also recommended that there should be a quarterly report presented in the meetings showing and explaining how the actual figures correspond to the budgets. This will give full transparency to the councillors and will assist in identifying any issues earlier.

No further areas of recommendation were identified during the audit.

14. AUDIT OPINION AND CERTIFICATION

I have relied on the information, records and documentation supplied by the Clerk. On the basis of my examination, checks and enquiries it is my view that the Council's system of internal control is adequate. Where appropriate, I have discussed any matters with the Clerk during the audit and made recommendations as appropriate.

However, internal audit work should not be seen as a substitute for the Council's responsibility to ensure sound internal controls are in place and that checks are made on a regular basis.

Signed 

Name Gethin Davies FCCA ATT

Address: 180 Maesglas, Cardigan, SA43 1AY

Date 26 May 2026