

Date of Audit Visit 27 April 2023
Name of Clerk Mrs Eleri Maskell
Annual Precept 2022-2023 £83,995.47

1. RECORDS, ACCOUNTING AND ADMINISTRATION

The Clerk co-operated fully with the audit and provided all the required records and documents. Observations and recommendations made in the external audit report received 29 March 2023, for the preceding year, have been noted – the clerk has ensured that meeting minutes, supporting papers and decisions are published. The full copies of the prior year’s annual return including the accounting statement, AGS and the audit opinion have also been published. The register of Member’ interests need to be placed on the Council’s website. The council will proceed to review and adopt new Standing Orders and Financial Regulations. It is pleasing to report that the records, accounts and standards of administration are maintained to a satisfactory standard.

The accounts and bank reconciliation were balanced in readiness for the audit and the Clerk undertakes monthly reconciliations throughout the year.

The accounts have been produced on the Receipts and Payment method as the basis of accounting and reporting. This presents the Council with the cash position at the end of the year rather than the true position considering accrued debtors and creditors. The position, however, does comply with the audit regulations. There is also a VAT debt which occurs annually.

2. STANDING ORDERS AND FINANCIAL REGULATIONS.

The Council should continue to review Standing Orders and Financial Regulations (item 10) to reflect the current requirements on risk management and corporate governance. The Council also has a duty to review the internal control and internal audit arrangements on an annual basis. Current Standing Orders were reprinted and distributed to all members in March 2019, to be reviewed at the next opportunity as stated in item 1, One Voice Wales are currently producing new model Standing Order documents.

3. EXPENDITURE AND INCOME CONTROLS

All expenditure is approved by the Council and formally recorded in the minutes. A sample test check showed that payments are supported by vouchers or invoices which are filed in cheque numerical and recently due to the introduction of BACS payment in date order. Invoices are systematically bound and filed annually in an orderly manner. VAT is properly recorded and recovered from HM Revenue & Customs at the appropriate time. The claim of £7,534.06 for 2022-23 will be recorded and submitted to HMRC following the completion of audit.

4. AUDIT TRAIL CHECKS BY MEMBERS

The involvement of members in the periodic random checks of the audit trails of payments is good practice and gives assurance to the Council that proper procedures are in place and are followed. The Audit Trail for the current financial year was conducted by Cllr Clive Davies and Cllr Stephen Greenhalgh on 30 March 2023. The report was submitted to Council, verified, and filed. Quarterly financial reports are presented to councillors in

advance of meetings and their approval recorded in the minutes.

5. SECTION 137 DONATIONS

The limit under Section 137 of the Local Government Act 1972 for 2022-23 was £27,456.66 (based on 3,113 electors @ £8.82) and expenditure was contained within the limit at £6,564. The Clerk records in the minutes all donations which are set against the Section 137 limit. The Donation List is also recorded digitally in Excel. The Clerk has prepared an application form which is now mandatory before applications are considered by Council.

The Council also approves an annual sum for the Mayor's donations and the Mayor's Fund for which there is a separate bank account to record and hold monies raised (no fund raising was carried out this year). This arrangement enables the transactions to be recorded and managed by the Mayor and the Clerk. The Mayor's Fund (2022-23) contributed £1,622 to various charities which was recorded in the May minutes at the end of the Mayoral term for Cllr Trystan Phillips.

6. PETTY CASH RECORDS

No Petty Cash is operated.

7. BUDGETARY CONTROLS AND RESERVES

The Clerk prepared an annual budget statement to assist the Council when setting the precept to provide adequate information relating to budgets and spends to date. The budget meeting (in committee) was held on 18 January 2022 and minuted. Statements of receipts and payments are presented to Council together with reconciliation to the bank accounts. The Council's cumulative reserves amounted to £61,779.59 as at 31st March 2023.

8. PAYROLL RECORDS

The Clerk's salary is paid in accordance with the approval of the Council and is within the terms of the National Agreement. The Clerk complies on-line with the HMRC Real Time Information (RTI: Basic PAYE Tools) rules for the payment of salary and for the deduction of National Insurance and Tax; payments are now made quarterly. The P60 End of Year Certificate is produced annually for the employer and employee's records.

9. ASSETS CONTROL

The Clerk maintains an Asset Register and this should ideally agree with the Insurance cover. The records are to be amended and updated as required for increases in purchases or valuations etc. The Asset List was revised at the Budget Meeting on 18 January 2023 and now stands at £275,209.95. The insurance cover has been restricted to named assets valued at £119,632.16, revalued as per Zurich Insurance (the insurers).

10. RISK MANAGEMENT

The Council has undertaken a formal assessment of potential risks on the 7 February 2023 (minuted on page 1988/1989, item 8. c) of Council minutes) and ensures that an annual review is undertaken.

The following documents were also approved by Council at the 7 February 2023 full Council meeting:

Annual Investment Strategy; Financial Regulations.

The insurance policy falls in line with the necessary cover required by Town Councils, the

council uses Zurich Insurance who specialise in this field.

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 Trustee for the King George V Playing Field (Charity No. 509062). The Council is advised to review the obligations under the Scheme Document and ensure that all requirements under the Charities Acts for the preparation of accounts and Independent Examination are fully met. All expenditure incurred by the Council in this respect has been processed through the Council's main bank account. The Clerk submitted the Annual Return to the Charity Commission on-line on 3 August 2022, recording an income of £20,169 and expenditure of £69,912 for the year ending December 2021. The Annual General Meeting of the charity is held in October of each year.

13. AUDIT RECOMMENDATIONS

There are no matters which require separate recommendation other than the matters raised in the above report.

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

Ken Griffiths

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Hafod Fach, Ferwig, Cardigan SA43 1PZ

Date

28 April 2023

