

Lyn Llewellyn Internal Audit Service

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The Chairperson
Llangennech Community Council
c/o 45 Penderri Road
Bryn
Llanelli
SA14 9PL

5th June 2017

Dear Chairperson

Internal Audit Report for the year ended 31 March 2017

I am pleased to confirm that all the prescribed tests in relation to your Council's internal control systems have been satisfactorily completed 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 in the 2016/17 Annual Return. These are based on the results of the testing (see schedule attached) of key controls undertaken in accordance with Appendix 4 – An approach to internal audit testing as detailed on pages 155 and 156 of the publication "Governance and Accountability for Local Councils in Wales : A Practitioners' Guide 2011" as amended.

I would like to take this opportunity to thank your Clerk, Mr Wyn Evans, for all his help and co-operation during the completion of the work.

My invoice for the work completed is attached for your kind attention.

Yours sincerely



Lyn Llewellyn
Internal Auditor

Name of Council: Llangennech Community Council

Financial Year: 2016/17

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 Town Clerk has been appointed Responsible Financial Officer
Items or services above the de minimus 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 and reclaimed
S137 expenditure separately recorded and within statutory limits

Risk Management Arrangements

Review of the minutes does not identify any unusual financial activity
Minutes record the council carrying out an annual risk assessment
Insurance cover appropriate and adequate
Internal financial controls documented and regularly reviewed

Budgetary Controls

Council has prepared an annual budget in support of its precept
Actual expenditure against the budget 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 is adequate and effective

Payments Controls

The council has approved and circulated to members its arrangements for making payments
Payments made comply in all respects with the arrangements approved by the council

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

All employees have contracts of employment with clear terms and conditions
Salaries paid agree with those approved by the council
Other payments to employees and members 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 assets register is up to date

Bank Reconciliation

Bank reconciliation prepared for each account
Bank reconciliation carried out regularly and in a timely fashion
There are no unexplained balancing entries in any reconciliation

Year-end procedures

Year end accounts prepared on the correct accounting basis -Income and Expenditure
Accounts agree with cashbook
There is an audit trail from underlying financial records to the accounts

Signed



Mr V L Llewellyn
Internal Auditor

Date 05/06/2017