

Lyn Llewellyn Internal Audit Service

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

11th June 2016

Dear Chairperson

**Internal Audit Report for the year ended 31 March 2016**

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: 2015/16**

**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 do 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 regularly reported to the council  
There are no significant unexplained variances from budget  
Reserves as at 31 March 2016 are dangerously low and well below the recommended minimum

**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  
Value of any investments held summarised on the 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 11/06/2016