

Internal Audit Report
To Mawr Community Council
For the Financial year 2019/2020

Prepared by: Robert Watkins AFA MIPA

19th June 2020

Statement of Responsibility

The audit work that I have undertaken was carried out based upon the Internal Audit Requirements for Mawr Community Council.

This report has been prepared solely for Mawr Community Council's use and cannot be used for any other purpose.

The matters raised in this report are only those which came to my attention during the course of the Audit and are not necessarily a comprehensive list of all improvements that might be made.

Mawr Community Council should formally assess recommendations made in this report for improvements for their full impact on the Council's Budget, Financial Regulations, Standing Orders, Risk Assessments and any other activities before they are implemented.

The responsibility for a sound system of internal control rests with Mawr Community Council and work undertaken by the Internal Auditor should not be relied upon to identify all circumstances of fraud or irregularity. Internal Audit procedures are designed to focus on areas that are considered to be of greatest risk and significance, but implementation of any recommendations by the Internal Auditor are at the discretion of Mawr Community Council if the Council believes that they will assist in the internal control of the Community Council processes.

Internal Audit - Mawr Community Council

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The Internal Audit was undertaken on 19th June 2020. The opinion formed during the internal audit is based upon the evidence provided at audit in the form of documents, accounts receipts and forms together with consultation with the clerk.

No assumptions or speculation is made if evidence is not presented.

Many thanks to Rachel Bull, Clerk to Mawr Community Council, for her assistance.

Please find attached my report.

Signed



Robert Watkins AFA MIPA

Dated

18th Jun 2020

Previous Internal Audit Report

The minutes record that the Council has considered the Internal Audit Report for the previous year and that any matters arising therefrom have been addressed.

The V.A.T claim for the previous year has been prepared but not claimed as of yet,

Book Keeping

1. Bookkeeping services are provided by Dragon Accounting Services who maintain the Cash Book/Database.

2. The Cash Book is regularly maintained and was found to be accurate, mathematically correct and up to date.

3. As part of the maintenance of the cash book Dragon Accounting Services prepare a monthly bank reconciliation statement for the HSBC current account. This is presented monthly to the council as part of the financial review along with monthly income and expenditure reports.

Standing Orders and Financial Regulations

1. The Standing Orders and Financial Regulations were adopted by Council in 2016 and this is reviewed annually at the AGM

2. Payments recorded in the Cash Book are supported by invoices which have been authorised at monthly council meetings by way of the Financial Report

3. VAT on payments is correctly identified and recorded and is subject to reclaim from HMRC. As previously noted the VAT claim has been prepared, approved by Council and will be claimed for in due course. Meeting 24 February 2020 (32/2020)

4. There was no Section 137 expenditure made during the year.

5. It is noted that the Community Council are Trustees of CCF and they have discharged their duties in accordance with the Charities Commission.

6. Internal Financial Controls are documented and reviewed regularly via the monthly Financial Report.

7. The Risk Assessment was formally accepted and minuted on 18 June 2019

Income Controls

- 1 Any additional income to the precept that is generated by Mawr Community Council is properly recorded and promptly banked
- 2 The precept that is entered in the Cash Book is in agreement with the City and County of Swansea notification. The amount received was £62,000 and this was payable in 3 equal installments.

Budgetary Controls

- 1 The Council has prepared an annual budget in support of its precept
- 2 Actual expenditure against budget is reported to the Council within the monthly Financial Report

Petty Cash Procedures

No Petty Cash float is carried or maintained

Payroll Controls

- 1 Salaries for all employees have been agreed by Council and are at or above the National Living Wage
- 2 Allowances and expenses for the Clerk are paid monthly upon receipt of a claim
- 3 Dragon Accounting Services maintain the payroll. A monthly statement is received detailing the salaries to be paid and the amount payable to HM Revenue and Customs

Asset Controls

An Asset Register is maintained detailing land held together with the details of the contents of each hall and office equipment

Year End Procedures

1 The year end Accounts have been prepared on the correct basis

2 The accounts agree with the cash book

3 There is a verifiable audit trail from the primary accounting records to the accounts

Recommendations

It is noted that the outstanding VAT claims have now been approved. It is recommended that in future years all VAT claims are submitted promptly