

Internal Audit Report
To
Mawr Community Council
For the Financial Year
2018/2019

Prepared by: Robert Watkins A.F.A

17.6.2019

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.

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Internal Audit – Mawr Community Council

The Internal Audit was undertaken on 14th June 2018. The opinion formed during the internal audit is based on 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 A.F.A

Dated: 18th June 2019.

Previous Internal Audit Report

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

The V.A.T claim for the previous year has been prepared but not claim as 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 with payment date, payee and total paid.
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 expenditure and income reports.

Standing Orders and Financial Regulations

1. The standing orders and Financial Regulations were adopted by the 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 H.M Revenue and Customs. As previously noted the VAT claim has been prepared and approved by Council and will be claimed for shortly.
4. Section 137 expenditure is separately recorded and is within Statutory Limits, The expenditure for the year totalled £100 and related to a donation to CCP School.
5. It is noted that the Community Council are Trustees of CCP and they have discharge their duties in accordance with Charities Commission
6. Internal Financial Controls are documented and reviewed regularly via the monthly financial report.
7. The 2018/2019 Risk Assessment was formally accepted and minuted on 13 May 2019 (5.7 2019)

Income Controls

1. Any additional income to the precept generated by Mawr Community Council is properly recorded and promptly banked.
2. The precept entered in the Cash Book is in agreement with the City and County of Swansea notification. The amount received was £61,500 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 H.M. Revenue and Customs for Income Tax and National Insurance.

Asset Controls

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

Year End Procedures

The year-end accounts have been prepared on the correct basis

The accounts agree with the cash book

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

Recommendations

It is noted that the VAT claim 2018 and 2019 have been prepared but not yet submitted, it is recommended that this is done promptly in future years.