

Lyn Llewellyn Internal Audit Service

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The Chairperson
Langstone Community Council
Merlin House
Langstone Business Park
Newport
NP18 2HJ

12th October 2021

Dear Council Chairperson

Internal Audit Report for the year ended 31st March 2021

Purpose of the Audit

The purpose of the audit was to review the financial propriety and governance arrangements of the Council in accordance with proper practices as set out in the One Voice Wales and Society of Local Council Clerks' publication "Governance and Accountability for Local Councils in Wales – A Practitioners' Guide (2019 Edition)

Main Findings

My conclusions are reflected in the internal auditor's report on pages 6 and 7 of the enclosed 2020/21 Annual Return and are briefly mentioned in the schedule also attached. Unfortunately, this is not a satisfactory internal audit report and this is largely attributable to the effects of the Covid 19 pandemic.

Acknowledgements

I would like to take this opportunity to thank the present Clerk, Adrian Edwards, for all his help and co-operation with the completion of the audit.

I attach my invoice for your kind attention in due course.

Yours sincerely


Lyn Llewellyn
Internal Auditor

Name of Council: Langstone Community Council

Financial Year: 2020/21

Internal Control / Testing carried out by Internal Audit confirmed the following:

Proper bookkeeping

Cashbook maintained.

Cashbook arithmetic correct.

Cashbook balanced monthly.

Payments Controls

Payments in the cashbook are supported by invoices and authorised by the Chairman and Vice Chairman. However, due to Covid 19 the vast majority have not been approved by Council.

VAT on payments have been identified and recorded.

S137 expenditure separately recorded and within statutory limits.

Risk Management Arrangements

There is no evidence in the minutes that the Council carried out the annual review of the risk assessment during the financial year 2020/21.

Insurance cover appropriate and adequate.

Budgetary Controls

Council has prepared an annual budget in support of its precept.

Actual expenditure against the budget produced but not regularly reported to Council.

Income Controls

Income is properly recorded and promptly banked.

The precept recorded agrees to the Council Tax authority's notification and bankings.

Payroll Controls

The former Clerk has a contract of employment with clear terms and conditions. However, it appears unsigned.

Salary paid agrees with that approved by the council.

PAYE/NIC has been properly operated by the council as an employer.

Assets Controls

There was no asset register produced for examination.

Bank Reconciliation

Bank reconciliation prepared for each account.

Bank reconciliation carried out monthly.

There are no unexplained balancing entries in any reconciliation.

Year-end procedures

Year- end accounts prepared on the correct accounting basis - Receipts and Payments.

Accounts agree with cashbook.

There is an audit trail from underlying financial records to the accounts.

Signed



Mr V L Llewellyn

Internal Auditor

Date 12th October 2021