



Community Finance Solutions

Making sense of community finances, Project Management and Grant Funding,

Agenda Item 7

8th February 2022

The Chairman
Cwmbran Community Council
Council Offices
Ventnor Road
Cwmbran
Torfaen
NP44 3JY

CC: David Collins, Clerk to the Council

RE: Cwmbran Community Council interim internal audit report Y/E March 2022

Please find below the interim internal audit findings in preparation for the year end return to Wales Audit Office for 2021-2022.

General Information

The period covered by this interim internal audit report is 1st April 2021 to 31st December 2021.

As the value of income and expenditure of the Council is above the £200,000 threshold, the accounts are prepared on an Income and Expenditure basis.

The testing undertaken has been carried out in line with the "Governance and Accountability for Local Councils in Wales – A Practitioners Guide 2019"

- **Appropriate books of accounts**

Appropriate books of accounts have been kept for the period covered by this review. Income and expenditure has been correctly assigned to individual account codes, and the cashbook agrees to both the relevant bank statements and bank reconciliation.

- **Financial Regulations**

The Council has Reaffirmed the Financial Regulations in year. Transactions reviewed within this audit have complied with the regulations, are supported by invoices and the expenditure items have been approved by Council.

- **VAT**

VAT has been appropriately accounted for and VAT returns within the scope of this audit are complete and agree to the cashbook

- **Risk Management**

The Council has undertaken an extensive review of their risk management arrangements. A risk assessment has been completed and endorsed by Council.

- **Budgetary Control**

A satisfactory budget setting process was undertaken, which formed the basis of the annual Precept demand requirement. The budget was regularly monitored throughout the year and the reserve figure set seems appropriate.

- **Income Controls**

Precept has been received promptly. The Council has a robust credit control system in place to ensure that any debtor balances are received promptly. All cash income has been recorded accurately and banked in a timely manner.

- **Petty Cash Procedure**

Petty Cash use is minimal and will be reviewed at the year end audit

- **Payroll Controls**

The payroll function is administered by the Local Authority with regular reports and reconciliations provided to the Council. Correct and timely salary reviews have been carried out and endorsed by the Council.

- **Asset Control**

Asset register is in place and is due to be updated as part of the year end procedures. Appropriate evidence has been provided to verify in year additions to the register.

- **Bank Reconciliation**

Bank reconciliations are carried out on a monthly basis. They agree to the bank statements and the cashbook and are approved by Council.

Year end Review

Further items to be tested at the year end review –

- Appropriate insurance cover is in place
- Asset register is complete and additions agree to cashbook entries.
- Any petty cash payments are properly recorded and supported by receipts.

I would like to take this opportunity to thank the Clerk and staff of the Council for their assistance in the production of this report.

Kind regards

Andy Smith

Andy Smith
Community Finance Solutions