

Date of Audit Visit	25 April 2022
Name of Clerk	Mrs Eleri Maskell
Annual Precept 2021-2022	£83,995.47

1. RECORDS, ACCOUNTING AND ADMINISTRATION

The Clerk co-operated fully with the audit and provided all the required records and documents. Observations and recommendations made in the external audit report received 25 January 2022, for the preceding year, have been noted and implemented by the clerk and reflected in this year's annual return. It is pleasing to report that the records, accounts and standards of administration are maintained to a satisfactory standard.

The accounts and bank reconciliation were balanced in readiness for the audit and the Clerk undertakes monthly reconciliations throughout the year.

The accounts have been produced on the Receipts and Payment method as the basis of accounting and reporting. This presents the Council with the cash position at the end of the year rather than the true position taking into account accrued debtors and creditors. The position, however, does comply with the audit regulations. There is also a VAT debt which occurs annually.

2. STANDING ORDERS AND FINANCIAL REGULATIONS.

The Council should continue to review Standing Orders and Financial Regulations (item 10) to reflect the current requirements on risk management and corporate governance. The Council also has a duty to review the internal control and internal audit arrangements on an annual basis. Current Standing Orders were reprinted and distributed to all members in March 2019.

3. EXPENDITURE AND INCOME CONTROLS

All expenditure is approved by the Council and formally recorded in the minutes. A sample test check showed that payments are supported by vouchers or invoices which are filed in cheque numerical order. Invoices are systematically bound and filed annually in an orderly manner. VAT is properly recorded and recovered from HM Revenue & Customs at the appropriate time. The claim of £11,762.21 for 2021-22 will be recorded and submitted to HMRC following the completion of audit.

4. AUDIT TRAIL CHECKS BY MEMBERS

The involvement of members in the periodic random checks of the audit trails of payments is good practice and gives assurance to the Council that proper procedures are in place and are followed. The Audit Trail for the current financial year was conducted by Cllr Richard Jones and Cllr Shan Williams on 26 January 2022. The report was submitted to Council, verified, and filed. Quarterly financial reports are presented to councillors in advance of meetings and their approval recorded in the minutes.

5. SECTION 137 DONATIONS

The limit under Section 137 of the Local Government Act 1972 for 2021-22 was £26,180.33 (based on 3,113 electors @ £8.41) and expenditure was contained within the limit. The Clerk records in the minutes all donations which are set against the Section 137 limit. The Donation List is also recorded digitally in Excel. The Clerk has prepared an application form which is now mandatory before applications are considered by Council.

The Council also approves an annual sum for the Mayor's donations and the Mayor's Fund for which there is a separate bank account to record and hold monies raised (no fund raising was carried out this year due to the Coronavirus outbreak). This arrangement enables the transactions to be recorded and managed by the Mayor and the Clerk. The Mayor's Fund (2021-22) contributed £1,140 to various charities which was recorded in the May minutes at the end of the Mayoral term for Cllr Debra Griffiths.

6. PETTY CASH RECORDS

No Petty Cash is operated.

7. BUDGETARY CONTROLS AND RESERVES

The Clerk prepared an annual budget statement to assist the Council when setting the precept to provide adequate information relating to budgets and spends to date. The budget meeting (in committee) was held on 12 January 2021 and minuted. Statements of receipts and payments are presented to Council together with reconciliation to the bank accounts. The Council's cumulative reserves amounted to £65,837.46 as at 31st March 2022. This included £39,976 held in HSBC as a holding account.

8. PAYROLL RECORDS

The Clerk's salary is paid in accordance with the approval of the Council and is within the terms of the National Agreement. The Clerk complies on-line with the HMRC Real Time Information (RTI: Basic PAYE Tools) rules for the payment of salary and for the deduction of National Insurance and Tax; payments are now made quarterly. It would be advisable for the council's April payment towards the Clerk's salary be made after the HRMC end of year of 5th April – this would bring the financial year in line with the taxable year in this instance. The P60 End of Year Certificate is produced annually for the employer and employee's records.

9. ASSETS CONTROL

The Clerk maintains an Asset Register and this should ideally agree with the Insurance cover. The records are to be amended and updated as required for increases in purchases or valuations etc. The Asset List was revised at the Budget Meeting on 12 January 2022 and now stands at £275,209.95. The insurance cover has been restricted to named assets valued at £116,969.40 plus inflation. It is accepted that this was a conscious decision and that the potential for risk was taken into account.

10. RISK MANAGEMENT

The Council has undertaken a formal assessment of potential risks on the 1 February 2022 (minuted on page 1859, item 9 c) of Council minutes) and ensures that an annual review is undertaken.

The following documents were also approved by Council at the 1 February 2022 full Council meeting:

Annual Investment Strategy; Financial Regulations.

The insurance policy falls in line with the necessary cover required by Town Councils, the council uses Zurich Insurance who specialise in this field.

11. UNUSUAL FINANCIAL ACTIVITIES

There does not appear to be any unusual financial matters or responsibilities affecting the Council.

12. CHARITABLE TRUSTS

The Council acts as Trustee for the King George V Playing Field (Charity No. 509062). The Council is advised to review the obligations under the Scheme Document and ensure that all requirements under the Charities Acts for the preparation of accounts and Independent Examination are fully met. All expenditure incurred by the Council in this respect has been processed through the Council's main bank account. The Clerk submitted the Annual Return to the Charity Commission on-line on 28 July 2021, recording an income of £400 and expenditure of £4,026.00 for the year ending December 2020. The Annual General Meeting of the charity is held in October of each year.

13. AUDIT RECOMMENDATIONS

There are no matters which require separate recommendation other than the matters raised in the above report.

14. AUDIT OPINION AND CERTIFICATION

I have relied on the information, records and documentation supplied by the Clerk. On the basis of my examination, checks and enquiries it is my view that the Council's system of internal control is adequate. Where appropriate, I have discussed any matters with the Clerk during the audit and made recommendations as appropriate.

However, internal audit work should not be seen as a substitute for the Council's responsibility to ensure sound internal controls are in place and that checks are made on a regular basis.

Signed

Name	Ken Griffiths
Address	Lleiflor, Ferwig, Cardigan SA43 1QA
Date	25 April 2022