

Adroddiad yr Archwilydd Mewnol

Internal Audit Report

2024-25

Cyngor Tref Aberteifi

Cardigan Town Council

Date of Audit Visit: 16th April 2025

Name of Clerk: Mrs Eleri Maskell

Annual Precept 2024-25: £90,022.00

1. RECORDS, ACCOUNTING AND ADMINISTRATION

The Clerk fully co-operated with the audit and provided all the requested records and documents. A number of documents were made available in advance of the audit in order for a full audit plan to be prepared, with further records being made available during the audit and afterwards.

The Clerk has ensured that all reports and minutes have been published as appropriate, including the previous year's Annual Return and minutes of monthly meetings.

The standard of records kept ensured that the audit could be carried out with few issues and where there were areas discovered that could be improved; the improvements suggested in relation to record keeping had been carried out and future potential improvements were discussed and taken on board with plans made on how these can be implemented in the future.

2. STANDING ORDERS AND FINANCIAL REGULATIONS

A review of the Financial Regulations has been carried out during the year as recommended and had been discussed and agreed during a monthly meeting.

The council should continue to review Standing Orders to reflect the current requirements on risk management and corporate governance. The review was a recommendation made in the 2023-24 audit and although was planned, was not carried out during the year. It is planned to be carried out early in the 2025-26 year.

3. EXPENDITURE AND INCOME CONTROLS

All expenditure is approved by the council and recorded in the minutes of meetings. A sample of three expenses were selected from the records (spreadsheet) and invoices were produced and payments confirmed on the bank statements. Invoices are kept in date order and bound annually. VAT is recorded and accounted for correctly on the purchases and the recovered from HMRC at the appropriate time.

Income is reported to the council when received and recorded in the minutes of the meetings. A sample was again selected and invoices and proof of banking were requested. The sales invoices or remittance

advice was filed in an orderly manner with the previous years recommendation of having all paperwork relating to sales filed in the same place. Where no sales invoices were available, an acceptable explanation was given and alternative paperwork was provided.

4. AUDIT TRAIL CHECKS BY MEMBERS

As a procedure of good practice, random checks of audit trails are carried out by members; purchases are selected and paperwork and payments are checked against the supporting paperwork. This ensures that the correct procedures are in place and are followed. The audit trail check for 2024-25 was carried out by Cllr Olwen Davies on 12 December 2024 and Cllr Clive Davies on 17 December 2024, all items selected were found to be recorded correctly.

5. SECTION 137 DONATIONS

Donations received during the year were recorded for correctly and banked.

6. PETTY CASH RECORDS

Although no purchases are made with petty cash, there is income taken via cash. Namely, stalls during the annual fair paying for pitches. The process of recording the payments received had been changed this year with receipts being issued to stand holders and a table prepared with the names of the vendors, amounts paid and the method of payment for each transaction. The information recorded in this table was then able to be reconciled to the amounts banked. The full amounts received in cash is banked with none needed to be held back as no cash purchases are made.

7. BUDGETARY CONTROLS AND RESERVES

An annual budget is prepared by the Clerk and is presented to the council in the January meeting. Any variances are reported to the council and can be explained.

8. PAYROLL RECORDS

The Clerk's salary is approved by the Council and is within the terms of the National Agreement. The Clerk complies with payroll regulations by processing the payroll and making submissions to HMRC through the HMRC Basic PAYE Tools software. Paperwork relating to the Clerk's salary and National Insurance contributions are printed and are filed with the purchase invoices.

separate columns for each payment method. This will allow the clerk to provide totals on the table for each payment method and will allow the totals to be more easily matched to the bankings.

The standing orders should be reviewed, updated and published. This was a recommendation in the 2023/24 audit and discussed; the reason for the standing orders not being updated during the year was that this is a long term document with no annual revision needed. Although it is agreed that periodic review is required, regular updates are impractical as the cost implication of the update would outweigh the benefits.

The final recommendation is that there may be scope to research methods of reducing paper usage. The main method of doing this would be to store invoices and paperwork digitally; this will allow the organisation to work in a more environmentally friendly manner where any paperwork produced or received digitally does not need to be printed. The recommendation is that this option be considered and the risks and rewards be discussed.

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

Gethin Davies FCCA ATT

Address:

180 Maesglas, Cardigan, SA43 1AY

Date

25/4/2025

9. ASSETS CONTROLS

The Clerk maintains an asset register with the cost of the asset along with a valuation of what the asset is insured for. Assets are not depreciated to comply with regulations for Councils leaving a closing balance on the statement of financial position of £275,210. No assessment has been carried out as to if the assets listed are still owned by the Council, it is possible that some may have perished over time. A revaluation was carried out in April 2025 with changes likely in the 2025/26 financial statements.

10. RISK MANAGEMENT

An appropriate risk assessment is carried out and discussed at meetings; for the current year, the assessment was discussed in the March meeting which was minuted and agreed. For any major risks identified, insurances are taken out or policies are put in place to minimise the risk.

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 a Trustee for the King George V Playing Field (Charity No. 509062). Transactions relating to the Charity are processed through the Council's books as may of the transactions (especially purchases) are for both the playing field and the town itself, an estimate is made for the split of these purchases and are shown as such on the face of the profit and loss account.

An approved annual return for the Charity was prepared for 2023 and submitted on 08 July 2024.

13. AUDIT RECOMMENDATIONS

During the meeting an error was discovered on the financial statements where the bank balances did not reconcile with the statements. This was investigated immediately and the cause was discovered. The explanation was given that due to the date of the meeting in April (01 April 2025) and the need for the financial statements needing reporting in that meeting, the final day of transactions had not been accounted for. When the unreconciled transactions had been identified, the financial statements were updated immediately which resulted in them being correct and the bank balances matching to the statements. It is recommended that this discovery is reported in the next meeting with the explanation given and the updated financial statements provided and agreed.

On review of the table prepared following last years recommendation in relation to takings from the stall vendors on fair day; there is a new recommendation of splitting the amounts received column into