

## **INTERNAL AUDIT REPORT 2018/2019**

### **ABERYSTWYTH TOWN COUNCIL**

**Annual Precept 2018/2019 £327,901 (2017/18 £280,612)**

#### **1. STAFFING**

It is noted that the Council has appointed a new Deputy Clerk and that the Clerk has been adequately supported and trained in undertaking her role. It is also noted that staffing risk has been reduced from "very high" to "high" in the latest Council's Risk assessment Register following this appointment.

It is further noted that professional services in relation to office IT and accountancy have been outsourced and that the Council intends to continually review its staffing structure.

The Clerk have co-operated fully with the internal audit and provided the required records and documents requested.

#### **2. STANDING ORDERS AND FINANCIAL REGULATIONS**

It appears that the Council has complied with Standing Orders during the year.

It is noted that the Financial Regulations were reviewed in March 2019 as recommended in the Internal Audit Report for 2017/18 and that the revised Regulations stipulate that they will be reviewed on an annual basis.

Minutes of meetings are kept in a loose leaf format and each page is initialled and the final page signed by the Chair.

#### **3. ACCOUNTING RECORDS AND THE STATEMENT OF ACCOUNTS**

The Council has operated the same accounting software package (RBS Omega) as in the previous financial year. The records and accounting of payments and receipts during the year were all balanced and reconciled to the bank accounts throughout the year.

Bank reconciliations are prepared on a monthly basis but these are no longer initialled as having been reviewed by the Chair of the Finance and Establishments Committee.

It is **recommended** that the Chair of the Finance and Establishments Committee reviews and initials the monthly bank reconciliations.

The Statement of Accounts has been prepared on the Income and Expenditure basis.

#### **4. EXPENDITURE AND INCOME CONTROLS**

All expenditure is approved by the Council and appropriately recorded in the Minutes of meetings. The majority of payments are made by cheque bearing the authorised signatories of two Councillors. Some payments are also made by direct debit.

A sample test-check showed that payments are supported by vouchers/invoices which are filed in cheque number order.

VAT is properly recorded and recovered from HMRC at the appropriate time and is accounted for in the year-end accounts as a debtor.

#### **5. SECTION 137 DONATIONS**

The appropriate sum under Section 137(4)(a) of the Local Government Act 1972 is a limit of £7.86 per elector and it appears that the Council has complied with this limit.

#### **6. PETTY CASH RECORDS**

It is noted that since October 2013 the Council has not operated a petty cash system and has utilised cheque payments in lieu of this system.

#### **7. BUDGETARY CONTROLS**

Monthly statements of spending performance are presented to the Council, and these are compared to budget reports.

#### **8. PAYROLL RECORDS**

The payroll records continue to be administered by Carmarthenshire County Council (CCC).

#### **9. ASSETS CONTROL**

Assets are not reflected in the Balance Sheet but are included in the Asset Register which was last reviewed in April 2019.

#### **10. RISK MANAGEMENT**

The Council maintains a Risk Assessment Register which was last reviewed in March 2019.

## **11. TRUST FUNDS**

The Council does not appear to be involved with any trust funds.

## **12. UNUSUAL FINANCIAL TRANSACTIONS**

There does not appear to be any unusual financial transactions during the year.

## **13. AUDIT OPINION & CERTIFICATION**

I have relied on the information, records and documentation supplied by the Clerk who is the Council's designated Responsible Finance Officer (RFO). On the basis of the internal audit exercise undertaken, it is my view that the Council's system of internal control is adequate and meets the required standard.

It is **recommended** that the monthly bank reconciliations are initialled as being reviewed by the Chair of the Finance and Establishments Committee.

Signed:

Name: Emyr Phillips FCA

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Date: 16th June 2019