

## **Llanbadoc Community Council**

### **Report of the Internal Auditor for the Year Ending March 31<sup>st</sup> 2025**

I have audited the accounts and examined the accompanying documents and records for the financial year ending 31<sup>st</sup> March 2025 and make the following observations under the subheadings detailed in the Annual Return for 20224-25.

1. Details of income and expenditure, accounts and other accounting statements have been kept on excel spreadsheets and are clear to read and easy to understand.
2. Financial regulations have been met and all payments were evidenced by invoices, tenders, contracts and entries from the HSBC bank statements and Building Society passbook. All items of income and expenditure records on the excel spreadsheets were able to be reconciled with the bank statement entries. All items of income and expenditure were presented to the Council as monthly accounting statements which were approved and recorded in council minutes. Monthly finance reports should be countersigned by the Council Chairman to indicate the report has been received and approved. VAT was accounted for and a substantial amount of VAT refund was obtained in 2024-25.
3. The Council has assessed the risks to achieving its objectives and reviewed its arrangements to manage these by reviewing its risk assessment plan in November 2024 and adopting new standing orders including financial procedures in March 2024. It has also prepared a Council Member Training Plan.
4. The annual precept of £27,753 for 20224-25 was approved at a meeting of the Council on 2/1/24 and confirmed by a remittance advice note from Monmouthshire County Council dated 17/1/24. The budget was monitored throughout the year via regular finance reports to the Council. The Council's total spend in 24/25 was £34,168 whilst its total income (including precept) was £36,590. This resulted in end of year balances of £29,192 which is high. The Council should give consideration to reducing balances if they have not been earmarked for specific spending purposes and settle on a reasonable level of reserves for a Council of its size.
5. The expected sources of Council income were received and banked as evidenced by entries in the HSBC account and payment advice notes. Income for the year was recorded in the excel spreadsheet accounting records and included in monthly bank reconciliation reports to the council. VAT was accounted for.
6. The Council does not operate a petty cash system and all payments are made directly from the HSBC current account, supported by bank statements and approved by the Council at its monthly meetings.
7. The Clerk's salary and allowances were paid in line with Council approvals and recorded in the accounts and minutes. These payments and the income tax and NI deductions were evidenced by pay slips and withdrawals recorded in the HSBC current account, the monthly excel account spreadsheets and end of year P60 form.
8. The Council's asset register has been properly maintained and updated. It gives full details of all assets when they were acquired, their location and value. The Council's insurance policy schedule is appropriately adjusted to include Council assets.

9. The Council's accounts have been kept in such a way as to enable monthly income and expenditure bank reconciliations to be recorded and presented to members at their meetings. The end of year bank reconciliation statement has also been produced.
  
10. Accounting statements prepared during the year 2024-25 have been prepared on the correct accounting basis from the excel spreadsheet account records and are supported by an audit trail from underlying council records and documents. The accounting statement for the Annual Return 2024-25 has been prepared correctly together with an analysis of variations compared with the previous year and reasons given for those larger than 15%. It would be helpful if the annual return documents could be prepared for internal audit earlier (by May) so they are finalised in good time for the end of June deadline.
  
11. The Council does not have any Trust Funds and hence has no management function in this respect.

Internal Auditor

4/6/25

A handwritten signature in black ink on a light grey rectangular background. The signature reads "J.W. Turner" in a cursive, slightly slanted script.