

*Lyn Llewellyn Internal Audit Service*

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13<sup>th</sup> May 2021

The Chairperson  
Tawe Uchaf Community Council  
c/o 8 Maes y Gorof  
Ystradgynlais  
Swansea  
SA9 1DA

Dear Council Chairperson

**Internal Audit Report for the year ended 31<sup>st</sup> March 2021**

**Purpose of the Audit**

The purpose of the audit was to review the financial propriety and governance arrangements of the Council in accordance with proper practices as set out in the One Voice Wales/Society of Local Council Clerks publication "Governance and Accountability for Local Councils in Wales – A Practitioners' Guide (2019 Edition)

**Main Findings**

All the control objectives tested proved to be satisfactory and as a result there are no matters I need to bring to the attention of your Council on this occasion. My conclusions are reflected in the internal auditor's report on pages 6 and 7 of the 2020/21 Annual Return. These are based on the results of the testing of key controls undertaken by me - see schedule attached.

**Audit Opinion**

Assurance can be expressed in the governance arrangements and the financial statement of Tawe Uchaf Community Council for the financial year 2020/21.

**Acknowledgement**

I would like to take this opportunity to thank the Council Clerk, Mr Elwyn Gwilym, for his help and co-operation with the completion of the audit.

I attach my invoice for your kind attention in due course.

Yours sincerely



Lyn Llewellyn  
Internal Auditor

**Name of Council: Tawe Uchaf Community Council**

**Financial Year: 2020/21**

**Internal Control /** Testing carried out by Internal Audit confirmed the following:

**Proper bookkeeping**

Cashbook maintained and up to date.  
Cashbook arithmetic correct.  
Cashbook regularly balanced.

**Standing Orders and financial regulations adopted and applied**

Council formally adopted standing orders and financial regulations.  
The Clerk has been appointed Responsible Financial Officer.  
Items or services above the de minimus amount have been competitively purchased.

**Payments Controls**

Payments in the cashbook are supported by invoices, authorised and minuted.  
VAT on payments have been identified, recorded and reclaimed.  
S137 expenditure separately recorded and within statutory limits.

**Risk Management Arrangements**

Review of the minutes does not identify any unusual financial activity.  
Minutes record the council carrying out an annual risk assessment.  
Insurance cover appropriate and adequate.

**Budgetary Controls**

Council has prepared an annual budget in support of its precept.  
Actual expenditure against the budget regularly reported to the council.  
There are no significant unexplained variances from budget.

**Income Controls**

Income is properly recorded and promptly banked.  
The precept recorded agrees to the Council Tax authority's notification and banking verified.  
Security controls over cash and near-cash adequate and effective.

**Petty Cash Procedures**

There is no petty cash system in operation.  
The Clerk is re-imbursed for any sundry expenditure items as and when required.

**Payroll Controls**

The Clerk has a contract of employment with clear terms and conditions.  
Salary paid agree with that approved by the council.  
Other payments to the Clerk are reasonable and approved by the council.  
PAYE/NIC has been properly operated by the council as an employer.

**Assets Controls**

The council maintains a register of all material assets owned or in its care.  
The asset register is up to date.

**Bank Reconciliation**

Bank reconciliation prepared for each account.  
Bank reconciliation carried out regularly and in a timely fashion.  
There are no unexplained balancing entries in any reconciliation.

**Year-end procedures**

Year-end accounts prepared on the correct accounting basis - Receipts and Payments.  
Accounts agree with cashbook.  
There is an audit trail from underlying financial records to the accounts.

Signed



Mr V L Llewellyn  
Internal Auditor  
Date 13/05/2021