

**Radyr and Morganstown Community Council
Year Ended 31 March 2022**

Internal Audit Testing

Area (per Section 4 of Annual Return)	Findings	Recommendations	Comments
1	The Council's accounts are maintained using a Sage accounts package which incorporates the rental income and expenditure of the Old Church Rooms.	N/A	N/A
2	<p>The Standing Orders were readopted by the Council on 12th May 2022. The Financial Regulations were adopted on 12th May 2022.</p> <p>It is noted that a schedule of bank payments for approval is presented to each Council meeting. All the payments during the year were discussed and approved at the meetings.</p> <p>Sample testing was undertaken on a number of random payments. We selected 25 payments for testing.</p> <p>The banking arrangements include the ability to make payments online. We are advised that 2 councillors will authorise these payments and the bank will not process such payments until separate password protected authorities are obtained.</p> <p>We have reviewed a sample of transaction detail reports (included within the sample of 25 noted above) supplied by the bank following the processing of online bank payments and confirmed that all of these confirm approval by 2 authorised persons.</p>	<p>N/A</p> <p>N/A</p> <p>N/A</p> <p>N/A</p> <p>N/A</p>	<p>We have used the prior year regulations (adopted 18th March 2021) for carrying out our internal audit work.</p> <p>N/A</p> <p>N/A</p> <p>N/A</p>

2 (cont'd)	<p>We understand that the level of S.137 expenditure is now being reviewed on a quarterly basis to ensure that it does not exceed prescribed limits.</p> <p>The regulations state that for proposed contract expenditure with values between £3,000 and £25,000, 3 quotations must be obtained. No transactions of such value were spent during the year.</p>	N/A	N/A
3	<p>The risk assessment has been reviewed during the year and is set to be reviewed again after the year end.</p> <p>The Council minutes were reviewed, relevant items noted. The risk register has not been updated since 18th March 2021, it was deemed to be accurate per the Clerk.</p>	<p>N/A</p> <p>We recommend that the Risk register is reviewed annually.</p>	<p>N/A</p> <p>N/A</p>
4	The Council has prepared a budget for 2021/22 in support of its precept with quarterly comparisons of the budget to the actual expenditure reported to Council.	N/A	N/A
5	<p>The expected precept balance was vouched as having been received.</p> <p>9 other income items were tested and VAT had been incorrectly treated on some items, totalling £651.73. These have now been corrected in the accounts. None of these items resulted in an incorrect submission to HMRC.</p>	<p>N/A</p> <p>N/A</p>	<p>N/A</p> <p>N/A</p>
6	The petty cash is very small, we have reviewed the petty cash transactions during the year and these were supported with receipts, in relation to the expenditure.	N/A	N/A

7	Sample testing was undertaken in relation to salary payments. The Clerk's salary was agreed to published pay scales.	N/A	We have been informed that the pay scales to be operated from 1 April 2021 were not agreed until March 2022 and therefore the salaries paid to 28 February 2022 were based on the pay scales agreed for the year from 1 April 2020. A backdated pay increase for the year was processed in the March 2022 payroll.
8	The Council maintains an asset register which records the assets at their original cost, which is lower than their insured replacement value. The notes in the accounts for the fixed asset values agree to the insurance policy. We have agreed the cost figure per the fixed asset register to that declared on the annual return for the year. The difference between the fixed asset register and the notes in the accounts is likely to be mainly due to inflation between the original cost of the assets to the insurance replacement cost.	N/A	N/A
9	Monthly bank reconciliations are prepared and presented to Council. The year end bank reconciliation was tested and the balances agreed to bank accounts.	N/A	N/A
10	<p>Year end accounts have been reviewed to ensure they have been prepared on the correct accounting basis - income and expenditure agreed to Section 1 of the Annual Return.</p> <p>In a prior year the Council identified a potential liability relating to unpaid water rates and underpaid non domestic rates covering a period of several years. The Council duly notified Welsh Water and the Local Authority of the potential issue.</p>	<p>N/A</p> <p>N/A</p>	<p>N/A</p> <p>N/A</p>

	<p>A water meter was installed on 29th July 2019 and the council has been receiving bills for water rates since that date. The council have continued to receive Water Bills. We are informed that Welsh Water has not given the Council any further indication that there will be a liability arising for periods prior to that date. The position has remained the same for 2022. On the basis of the above information no provision has been made for a liability to Welsh Water in the financial statements.</p> <p>A provision for non-domestic rates was included in the 2020/21 accounts for £4,551. The Council has since received relief for these rates and has released the £4,551 provision in the 2021/22 accounts.</p>		
11	There were no trust funds therefore no trust testing was required.	N/A	N/A