

**Radyr and Morganstown Community Council
Year Ended 31 March 2024**

Internal Audit Testing

Area (per Section 4 of Annual Return)	Findings	Recommendations	Comments
1	<p>The Council's accounts are maintained using a Sage accounts package which incorporates the rental income and expenditure of the Old Church Rooms.</p>	N/A	N/A
2	<p>The Standing Orders were reviewed and adopted on 4th May 2023. The Financial Regulations were adopted on 4th May 2023.</p> <p>It is noted that a schedule of bank payments for approval is presented to members. All the payments during the year were discussed and approved at the meetings of the council.</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>N/A</p> <p>N/A</p> <p>N/A</p> <p>N/A</p> <p>N/A</p>

2 (continued)	<p>The financial regulations adopted in May 2023 state that for proposed contract expenditure with values between £5,000 and £25,000, 3 quotations must be obtained. From our sample of payments two items were identified with values exceeding £5,000 (but not exceeding £25,000). For one of these items, 3 contractors were asked to quote but two declined and so only one quote was obtained which was approved in a council meeting. For the second of these items no alternative quotes were asked for aside from the quote the council used as the council have an existing 3 year contract with the supplier used specifically for the task paid for. The Financial regulations were amended during the year ending 31 March 2024 to allow the Clerk to the council to strive to obtain three quotes for smaller works.</p>	<p>It is recommended that three quotes are obtained for all expenditure over £5,000 but not exceeding £25,000.</p>	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 been updated for 23/24 and was approved on 21 September 2023.</p> <p>Internal audit reviews are to be carried out quarterly by selected Councillors throughout the year.</p>	<p>N/A</p> <p>N/A</p> <p>Select councillors and those selected to complete internal audit reviews and present to the Council as soon as it is practical and then every quarter</p>	<p>N/A</p> <p>N/A</p>
4	<p>The Council has prepared a budget for 2023/24 in support of its precept with quarterly comparisons of the budget to the actual expenditure reported to Council.</p>	<p>N/A</p>	<p>N/A</p>
5	<p>The expected precept balance was vouched as having been received.</p>	<p>N/A</p> <p>N/A</p>	<p>N/A</p> <p>N/A</p>

	9 other income items were tested with no issues found.		
6	We reviewed the council's accounting records which indicate that total petty cash expenditure for the year was nil. The accounting records indicate that there were no top ups of petty cash during the year, following a break-in during May of 2023. As a result, the very low level of transactions in this area require no further work on petty cash.	N/A	N/A
7	Sample testing was undertaken in relation to salary payments. A sample of two employees' salaries were agreed to published pay scales.	N/A	N/A
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	Year end accounts have been reviewed to ensure they have been prepared on the correct	N/A	N/A

	<p>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>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 2024. On the basis of the above information no provision has been made for a liability to Welsh Water in the financial statements.</p>	N/A
11	There were no trust funds therefore no trust testing was required.	N/A