

Report of Internal Auditor 2022/2023

General

1. This is my report for the financial year ending 31 March 2023. The Accounts and Audit (Wales) (Amended) Regulations 2005, Regulation 6, requires the Council to maintain an adequate and effective system of internal audit. Internal audit must be reviewed and applied at least once annually. This principle has been reinforced under Section B of the Accounts and Audit (Wales) Regulations 2014 - pertaining to smaller relevant bodies with annual gross income or expenditure less than £2.5 million.
2. This year's internal audit was again carried out remotely, supplemented with queries by email. No personal checks were made on individual basic documents as it was difficult to arrange a visit because of staff vacancies .
3. Nonetheless, in my view much of the governance arrangements were well maintained and documented/published. Accounts were recorded in the Edge accounting system on the basis of Receipts and Payments, but converted to Income and Expenditure (or accruals) at the year end, including a Consolidated Balance Sheet.

Budgets and Budgetary Control

4. The Council received and approved a detailed budget on 13th January 2022. A summary of the main components, plus the actual equivalent outcome is attached to this report. This should also be read in conjunction with the Consolidated Balance Sheet for the year. Significant points to note from this statement are:

The Council planned to spend (gross) £498,872, 10.7% of which was planned to be recovered by way of various charges/various funding; £370,000 (74.2%) from the precept; and the remaining £75,349 (15.1%) from Reserves. A substantial change occurred in practice. The Council spent £250,000 in securing its new home at the Old Wool Market, effectively paid for as follows:

- Underspending its gross budget by £153,000
- A new grant for Coronation celebrations £9,900
- Extra income (net) £4,100
- Extra claim against Reserves £83,000

Reserves.

5. The impact of this resulted in overall reserves being reduced by nearly £158,000;
 - General Reserve by £132,000 and
 - Earmarked Reserves by £26,000

However, it is a moot point, but the £9,900 should perhaps be reclassified as a Earmarked reserve to pay for Coronation events in 2023. A list of General and Earmarked reserves can be seen on the Consolidated Balance Sheet.

VAT.

7. The reconciliation shows:

b/d April 2022	£17,992.39
Incurring 2022 23	<u>£19,660.64</u>
	£37,653.03
Recovered in year	£28,430.06 -
c/d March 2023	£ 9,222.97 per Balance Sheet.

Section 137, LGA 1972

8. The ceiling for 2022 2023 was equivalent to £8.82 per registered numbers on the Electoral Roll, i.e. over £62,000. The Council recorded 55 items, totalling £59,679.54. Within the permitted financial ceiling.

Payroll

9. The employee payroll calculations were undertaken by the IRIS bureau. Statements from the IRIS system have been reconciled with ledger codes 165/6. It may be of interest to note:

Overall Cost per Code 165/166 £120,806.24 up 6%, but included £1,060 which should have been charged to Code 121 (Members' allowances)

Bank Statements/Reconciliation

10. Bank statements at 31 March 2023 and the associated reconciliation statements are set out below: there were no un-presented items.

Bank Statements (March 31st)

Current Account	£ 97,108.79
Mayor's Charity Account	£ 955.42
Petty Cash	£ 66.13
Investment Account	£102,352.57
TOTAL (agreeing to Cash Book)	<u>£ 200,482.91</u>

Asset Register

11. The register of assets was maintained up to date, including the purchase of the Old Wool Market. The listed assets amounted to £1,348,481 at 31 March 2023.

B.W. Scourfield CPFA (retired)

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Date; 24th August 2023.

Acknowledgement:

I wish to formally thank the Clerk/RFO, Juliet Raymond , for her help and support, particularly as there were staff shortages and illness. Queries were dealt with remotely during this period. It was much appreciated.