

Internal Audit Report for Trefeglwys Community Council.

I certify that I have completed the Internal Audit for the year ended 31st March 2026 according to the books and records presented to me and in accordance with the Audit Commission Requirements.

My audit included comprehensive examination of the Councils records, undertaking all tests as prescribed in the Internal Audit Section of the Annual Return. Sufficient to give reasonable assurance that the Councils affairs are properly conducted and free from material mis-statement.

1 Appropriate books of accounts have been properly kept throughout the year.

2 I am unable to say if the Financial regulations have been met as there are no financial regulations published on line . Payments in the files are supported by invoices although these are in a muddled state and not ideal for providing a CLEAR audit trail for me to follow. All invoices were approved in meetings and the VAT has been properly accounted for.

3 I have answered NO to the Council assessing significant risks to achieving its objectives . There is no Risk Assessment document either in the files or on line. Therefore it seems reasonable to assume that they have not reviewed the adequacy of these arrangements to manage any significant risks to the Council. A financial Risk Assessment document should be in place and displayed on the Councils website in line with the Transparency Code.

4 I can find no evidence of any budgeting monitoring in the files or online. It does say in the minutes that the budget was agreed in December but this is not evident from the files. There is also no evidence that budget consideration played a part in the setting of the Precept in the December Minutes. Similarly there is no evidence presented to me that progress against a budget was monitored or consideration to the appropriateness of the reserves.

5 All income was fully received and properly recorded and promptly banked and VAT was appropriately accounted for.

6 The Council does not deal in Petty Cash

7 Salaries to employees and allowances to members were paid in accordance with contracts/ minuted approvals. PAYE and NI requirement were properly applied. I have answered no to this as whilst the new clerk who has been in place since February 2026 has set up for dealing with the PAYE and NI with HMRC the previous clerk did not process the salaries in a proper manner. The Council will need to find out if there is any owing to HMRC for the previous clerk.

8 Asset and investment registers were complete , accurate and properly maintained. The Council has 2 defibrillators listed as its assets . The council should supply a designated laptop for the clerks use. This would be inline with the new regulations outlined in the I T Policy adopted in March 2026.

9 Periodic and Year End Bank reconciliations were properly carried out. Whilst there are Year End Bank Reconciliations there are no other Bank Reconciliations evidenced on the papers presented to me.

10 Accounting systems prepared during the year were prepared on the correct accounting basis (receipts and payments /Income and expenditure agreed with the cash book, were supported by an adequate audit trail from underlying records and where appropriately debtors and creditors were properly recorded.

11 Trust Funds this was not covered

12 Areas of risk identified by me.

The Council had a number of councillors resign and were left without sufficient signatories on the bank account to make the requisite payments. To alleviate this they agreed that two councillors would lend money to the council to cover the bills. Whilst this is commendable that the councillors wanted to do this, this should not have occurred. The council should have in place a robust set of financial controls in place to ensure that this does not occur It is extremely bad practice and could leave the council open to all sorts of allegations.

There is no explicit Statutory Power allowing a parish council to borrow from individuals, including councillors. Borrowing by Parish Councils is governed by

Local Government Act 2003,s1.

- Councils may borrow only with the approval from the Secretary of State (via DLUHC)
- Governance and Accountability for Smaller Authorities (Practitioner Guide)- councils must avoid financial arrangements that create conflicts of interest or bypass proper controls.

A loan from councillors bypasses the statutory borrowing approval process so it is not considered lawful borrowing

If a temporary loan from Councillors has been provided then it should be;

- Formally Minuted
- Interest Free
- Short term only
- Repaid immediately once the situation allows
- Declared as a Financial Interest

- Supported by a written agreement
- Reported to the External Auditor.

I see in the minutes that last years Internal Auditor signed off on this lending, However I would still say that it should not have occurred and that proper controls are now put in place.

I would be interested to see the External Auditors report which is not freely available on the website as it should be.

The council is not complying with the Transparency code which is non-negotiable. Certain information must be published on the website.

The Annual Return should be posted in full along with the Internal Audit and the Notice of electors' rights. This should be posted on the website once it has been agreed and accepted by Council . This will ensure that if any electors wish to have access to the full accounts within the time for their rights they know that they are ready and available to examination.

The Council should have all its adopted policies on the website . these include those that are already there along with Freedom of Information policy, Data Protection policy. Equality Policy, Complaints Procedure, Document Retention Policy, Councillor and Clerks Protocol.

The website should be updated with all the relevant information with the minutes being published within 4 weeks of the meeting taking place.

The Council should be aware of the new rules and take heed of them

Website legal & accessibility requirements

All smaller authorities with websites must ensure their sites meet strict accessibility standards. Your website must meet [WCAG 2.2 AA compliance](#), which replaced 2.1 AA in October 2024.

Under Assertion 10, every parish council must have at least one generic, role-based email account hosted on a council-owned domain, for example clerk@abcparishcouncil.gov.uk, rather than using free services like Gmail or Outlook. This is the minimum requirement for compliance.

However, best practice goes further. All permanent staff and councillors should ideally use individual domain-based email accounts to improve professionalism, maintain transparency and increase security. Dedicated council-owned emails should be issued to councillors and staff, as communications tied to personal emails risk losing access to records and violating GDPR when staff or councillors leave their roles.

Councils should budget accordingly and work towards full coverage, ideally on a .gov.uk domain.

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