

INTERNAL AUDITORS REPORT

TO THE MEMBERS OF HAY TOWN COUNCIL

FOR THE YEAR ENDED 31st MARCH 2024

Please find set out below my report and findings in relation to my review and internal audit of the Hay Town Council's accounts for the year ended 31st March 2024.

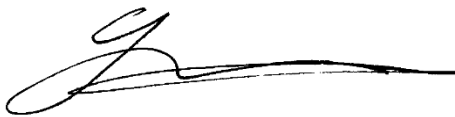
During the course of my review and audit I used the following documents and records;

- The financial records of Hay Town Council maintained on their behalf by their Responsible Financial Officer
- The Financial Regulations adopted by the Council on 22nd March 2018
- The specification provided during the course of my engagement

The review and internal audit for the year ended 31st March 2024 was carried out on a test basis. These tests covered several transactions in each month and every transaction for two months (May 2023 and March 2024);

- Appropriate Books of Account
 - We have reviewed the records provided by Hay Town Council including
 - Spreadsheet maintained by the council
 - Statements for the four bank accounts maintained by the council
 - Supporting Income Records
 - Supporting Expenditure records
 - We can confirm that appropriate books of account have been maintained and are complete for our purposes
- Financial Regulations
 - Payments are supported by either invoices or other supporting documentation. E.g.
 - Payroll Records
 - Officer and Staff expense claims
 - Expenditure has been approved via the regular meeting of councillors
 - VAT, where applicable, has been recorded, paid and collected appropriately, and at the correct rate and included in the amount due to Hay Town Council at 31st March 2024
- Significant Risks
 - Hay Town Council has carried out an assessment of risks that it is potentially exposed to
 - The applicable Financial Regulations were adopted at its meeting on 22nd March 2018
 - We have reviewed the Financial Regulations
 - We believe these Regulations to be adequate
- Precept / Budget Monitoring
 - This is carried out on a regular basis and reported to each Council meeting
 - The records continually set out comparisons of actual expenditure against the budget set
- Income
 - Expected income has been received
- Petty Cash
 - Only one transaction in petty cash this year, correctly accounted for
- Salaries
 - PAYE / NI has been deducted as required and paid to HMRC as and when required

- Bank Account Reconciliations
 - These are prepared up to about the 24th of each month – the date the statements are issued by the bank
 - With the exception of March when this procedure is additionally done to 31st of the month being the end of the financial year
- Accounting Statements
 - These are provided to each council meeting
 - The Cash Book (spreadsheet) accurately records all income and expenditure and provides an audit trail back to the prime documents
 - Hay Town Council primarily operates a cash accounting system
 - Additionally, Debtors and Creditors are recorded at the end of year
 - VAT and PAYE liabilities are also maintained on an accruals basis in the accounts
- Trust Funds
 - Not applicable
- Recommendations for the future
 - Sales invoices should be consecutively numbered
 - In order to provide a straightforward and easily understandable audit trail, it is recommended that sales invoices be numbered consecutively. Without this, there is the possibility that unpaid invoices are not collected. The relatively small number of transactions means this isn't a significant issue, but making sure each invoice is marked using a consecutive numbering system would be more transparent.
 - A current Fixed Asset Register should be maintained
 - While an asset register was previously provided, there is not one present in the records this year. It would be advisable to maintain a Fixed Asset Register, to best keep track of the Council's resources.
 - The council should consider keeping records net of VAT
 - While previously VAT reclaims were allowed to accumulate indefinitely, the council has now begun regularly reclaiming VAT on a quarterly basis. Separating the VAT in each relevant transaction and showing the net figure in expenditure might give the council a more accurate representation of their financial position.



Owen Jones
David M Jones & Partners
12th June 2024