

**Bedwas, Trethomas and Machen Community Council (BTM)
Year Ended 31 March 2020
Internal Audit Testing**

Area (per Section 4 of Annual Return)	Findings	Recommendations	Comments
1	<p>Proper Accounting Records</p> <p>The Council's accounts (kept on Excel) were reviewed, along with bank reconciliations and VAT control accounts to ensure they agreed to the accounts and that regular checks are made by the Council in relation to these areas.</p>	None	N/A
2	<p>Meeting Financial Regulations/Testing of Payments</p> <p>The Council's Financial Regulations were updated in September 2019 and have been met.</p> <p>Sample testing was undertaken on a number of random purchases. Some instances identified where cheque stubs were not authorised by 2 councillors.</p>	Ensure all cheque stubs are initialled by two council members to document authorisation.	
3	<p>Managing Identified Risks</p> <p>The Council's minutes were reviewed and any relevant items noted.</p> <p>A risk assessment was completed and adopted during the year.</p>	None	N/A
4	<p>Annual Precept and Budget Review</p> <p>The annual precept level was agreed.</p> <p>The 20/21 budget prepared and reviewed in the year was agreed.</p>	None	N/A

bpw
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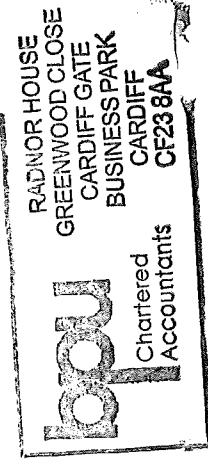
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5	<p>Income Testing</p> <p>The expected precept balance was vouched as having been received.</p> <p>Other income received was agreed to relevant documentation.</p>	None	N/A
6	<p>Petty Cash</p> <p>Sample testing was undertaken on a number of random petty cash payments. However, the individual petty cash expenses are not authorised by council members and petty cash expenditure is not presented at council meetings. The VAT is also not claimed on petty cash expenditure.</p>	<p>Ensure petty cash receipts are signed by two council members to document authorisation.</p> <p>Present council with a list of petty cash payments at each meeting.</p> <p>Ensure VAT is claimed on the petty cash expenditure</p>	<p>The Clerk/RFO to the Council has advised us that she will ensure that petty cash vouchers are authorised in future.</p> <p>The Clerk/RFO to the Council has advised us that she will start giving a list of petty cash expenditure as part of the meeting packs</p>
7	<p>Wages and Paye</p> <p>Sample testing was undertaken on two employee's salaries.</p>	None	N/A
8	<p>Fixed Asset Register</p> <p>Asset registers are complete, accurate & properly maintained.</p> <p>Assets are adequately insured.</p> <p>The council have not completed the registration of the Workmen's Hall</p>	<p>Complete the registration of the workmen's hall</p>	<p>Registration is in progress as per the minutes but currently on hold due to the lockdown.</p>

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9	<p>Bank Reconciliation</p> <p>3 weekly bank reconciliations were reviewed and confirmed as being properly carried out for the main account and the reserve account.</p>	None	N/A
10	<p>Year End Accounts</p> <p>The year end accounts having been reviewed to ensure they have been prepared on the correct accounting basis (receipts and payments) and that they agree to the excel spreadsheets</p>	None	N/A
11	<p>Trust Funds</p> <p>The council does not hold any trust funds.</p>	N/A	N/A



BPU Chartered Accountants 18th May 2020