



Steve Edwards
Clerk
Abertillery Community Council
Council Offices
Mitre Street
Abertillery
Blaenau
Gwent
NP13 1AE

13th March 2026

Dear Steve,

Interim Audit Cover Letter

An audit was carried out by Kevin Rose on Monday 2 March 2026. This was the interim internal audit, part of the annual internal audit coverage of the Council. Prior to the audit a 'Pre-Audit' was carried out remotely which tested items which are required to be published on the Council's website.

The audit was undertaken using the standard IAC Audit Checklist, that we use for all Local Councils, which has 180 items. A total of 143 items were tested during this audit, including items that were examined and tested as part of the pre-audit process. The balance of 37 items will be checked during the Year End audit.

The following 'Internal Control Objectives' of the Annual Internal Audit Report (part of the AGAR) were checked and confirmed as being Not Applicable to your Council for this financial year.

- Petty cash (Box 6)
- Trust Funds (Box 11)

Areas subject to audit were;

- the Accounting system and records (Box 1)
- the Payment system (Box 2)
- Risk and insurance (Box 3)
- Budget and precept setting and monitoring (Box 4)
- Income billing, collection and VAT (Box 5)
- Payroll(Box 7)
- Bank reconciliations (Box 9)
- Accounting Statements (Box 10)
- Trust Funds (Box 11)

Of the 101 applicable items tested a Positive response was obtained in respect of 94 tests. There were 7 Negative responses identified and 11 Observations were made, details of which are set out in the attached Interim Internal Audit Observations.

Summary of tests undertaken during this audit

Positive response	94
Negative response	7
Not Applicable to your Council	42
Total tests carried out	<u>143</u>

I am pleased to advise that no 'Non-Compliances' were identified at this stage that would give rise to a negative response on the statutory Annual Internal Audit Report.

I would like to express my thanks for the assistance and hospitality provided to me during my audit.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'K. Rose'.

Kevin Rose ACMA
Director

Abertillery and Llanhilleth Community Council
Financial Year 2025-26



Audit date: 2 March 2026

Interim Internal Audit Observations

2 *Financial regulations have been met, payments were supported by invoices, expenditure was approved and VAT was appropriately accounted for.*

No.	Audit Test	Response	Observation	Recommendation	Priority	Comments
1	Is Clerk CILCA qualified?	No	<i>Both Deputy Clerks are currently studying for CILCA.</i>	Council to note.	Medium	
2	Is expenditure on Credit / Debit Card subject to independent review and scrutiny?	Yes	<i>At present the monthly credit card statement is not subject to review and signature in the same manner as the bank statements (The transactions are verified through the direct debit settlement payment on the Unity bank account)</i>	The Council to put in place a process for the regular review and approval of expenditure on cards. This review should be evidenced by dated signature of the person conducting the review on the appropriate card statement and/or invoice.	High	
3	If the Council is a tenant under leases, are the lease agreements current?	No	<i>It is unclear under what terms the Council occupies the allotments, whether it owns them or if these are held under a lease. It is also unclear what the legal basis is for the Council occupancy of the offices at Mitre Street.</i>	The Council to provide confirmation, for example a copy of leases, for the allotments and for the offices at Mitre Street.	Medium	
4	If the Council is a tenant under leases are payments being made as required?	No	<i>It is unclear what the payment obligations are for the allotments.</i>	See above	Medium	

3 The body assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.

No.	Audit Test	Response	Observation	Recommendation	Priority	Comments
1	The value of the Councils Fidelity Insurance covers the value of the Councils cash & bank holdings	No	<i>The value of the Councils Fidelity Insurance, at £250,000, does not cover the value of the Councils cash & bank holdings.</i>	The Council to review the level of its Fidelity insurance and consider whether it is adequate to cover the value of cash and bank balances held.	Medium	

4 The annual precept/levy/resource demand requirement resulted from an adequate budgetary process, progress against the budget was regularly monitored, and reserves were appropriate.

No.	Audit Test	Response	Observation	Recommendation	Priority	Comments
1	The Council has reviewed any points raised by the External Auditor as required	N/A	<i>As at the date of the Interim Audit the Council had not received the report of the External Auditor. It is understood that this is due to delays at Audit Wales and not due to any issues raised with the Council.</i>	Council to note the delay in receipt of the report of the External Auditor for 2024-25.	Medium	
2	Does the budget recorded in the Councils accounting system agree to the budget set by Council?	No	<i>The Minutes record a budget of £464,023, but Rialtas budget is £499,023, a difference £35,000. This appears to be because the budget income of £35,000 was not recorded in the Rialtas system.</i>	Council to review the budget recorded in the Councils accounting system to ensure that it agrees to the budget approved.	High	

5 Expected income was fully received, based on correct prices, properly recorded and promptly banked, and VAT was appropriately accounted for

No.	Audit Test	Response	Observation	Recommendation	Priority	Comments
1	If the Council receives income under leases, are the lease agreements current?	No	<i>It was not possible to view lease agreements (of which the Council is the landlord) during the audit visit.</i>	Council to provide the Internal Auditor with a copy of the lease agreements for the allotments.	Medium	
2	If the Council receives income under leases is the income being received as required?	No	<i>It is not clear that all income due from the allotments has been received. It is not currently practice for the Council to raise invoices for this income.</i>	The Council should raise invoices for the allotment rents based on the the dates and amounts set out in the lease agreements.	Medium	

7 Salaries to employees and allowances to members were paid in accordance with minuted approvals, and PAYE and NI requirements were properly applied.

No.	Audit Test	Response	Observation	Recommendation	Priority	Comments
1	Deductions have been properly paid over to Pension provider	Yes	<i>Pension payments are deducted by Blaenau Gwent Council. It is not currently practice the Town Council to obtain confirmation that these amounts have been properly paid over to the pension fund.</i>	On an annual basis the Council to obtain confirmation from the pension fund that deductions have been properly paid.	Medium	
2	Deductions have been properly paid over to HMRC	Yes	<i>PAYE and N.I. are deducted by Blaenau Gwent Council. It is not currently practice the Town Council to obtain confirmation through the HMRC online portal that these amounts have been properly paid over to HMRC.</i>	On an annual basis the Council to confirm, through the HMRC portal, that PAYE and National Insurance deductions have been properly paid over to HMRC.	Medium	

11 Trust funds (including charitable trusts). The Council/Board/ Committee has met its responsibilities as a trustee.

No.	Audit Test	Response	Observation	Recommendation	Priority	Comments
1	Trust income and expenditure has been transacted through a separate bank account in the name of the Trust and has not been recorded in Councils accounts	N/A	<i>The Council operates a Mayor's Charity, accounted for through nominal code 101. At present it is not practice for the accounts to be formally provided to Council although it is understood it is included in the Council's annual report.</i>	On an annual basis, at the conclusion of the Mayoral year, a statement of income and expenditure of the Mayors Charity should be provided to the Town Council for information. The Council should also consider publishing this statement on the Councils website.	Medium	

Interim audit summary Abertillery and Llanhilleth Community Council

(shaded Internal Control Objectives are not applicable to your Council)



Interim Audit Date 2 March 2026

Internal Control Objective		N/A	Tested	Positive	Negative	Observations	Non Compliance
Box 1	Appropriate books of account have been properly kept throughout the year.		6	6	0	0	
Box 2	Financial regulations have been met, payments were supported by invoices, expenditure was approved and VAT was appropriately accounted for.	8	33	30	3	4	
Box 3	The body assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	2	7	6	1	1	
Box 4	The annual precept/levy/resource demand requirement resulted from an adequate budgetary process, progress against the budget was regularly monitored, and reserves were appropriate.	4	11	10	1	2	
Box 5	Expected income was fully received, based on correct prices, properly recorded and promptly banked, and VAT was appropriately accounted for	8	17	15	2	2	
Box 6	Petty cash payments were properly supported by receipts, expenditure was approved and VAT appropriately accounted for.	9	N/A	N/A	N/A	N/A	
Box 7	Salaries to employees and allowances to members were paid in accordance with minuted approvals, and PAYE and NI requirements were properly applied.	3	19	19	0	2	
Box 8	Asset and investment registers were complete, accurate, and properly maintained.		0	0	0	0	
Box 9	Periodic and year-end bank account reconciliations were properly carried out.	1	6	6	0	0	
Box 10	Accounting statements prepared during the year were prepared on the correct accounting basis (receipts and payments/income and expenditure), agreed with the cashbook, were supported by an adequate audit trail from underlying records, and where appropriate, debtors and creditors were properly recorded.		2	2	0	0	
Box 11	Trust funds (including charitable trusts). The Council/Board/ Committee has met its responsibilities as a trustee.	7	N/A	N/A	N/A	N/A	
Totals		42	101	94	7	11	0