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Mrs Catherine Lloyd-Jenkins
St Clears Town Council
The Gate
Pentre Road
St Clears
Carmarthenshire
SA33 4AA

Our Ref:

Your Ref:

17 July 2026

Dear Mrs Lloyd-Jenkins,

Internal Audit – year ending 31 March 2026

Thank you for providing us with the books and records to enable us to complete the internal audit for the year ending 31 March 2026. We can confirm that we have completed this task and wish to highlight the following:

1. Books of account

We have reviewed the books of account for the year together with the supporting information and can confirm that the spreadsheets provided are an accurate representation of the transactions for the year, together with the Xero accounting package.

2. Financial regulations

We have reviewed the financial regulations. With regards to these regulations, we note that the Y Gat bank statements had not been signed the first two weeks of April 2025 as stipulated in your regulations, but following a discussion with yourself we are aware that this has now been fully implemented. We note that similar issues were raised last year,and would strongly recommend that you ensure this part of the regulations is adhered to.

We have noted that some payments and receipts were omitted from the minutes of the relevant meetings, but have subsequently been included in the minutes of a recent meeting, held in July 2026, to confirm they were approved at the appropriate time. We understand that the meetings are "live" and have obtained assurances for you that any omitted payments are discussed and approved at the appropriate time, but it is essential that these are included in the minutes of the meeting they are approved at and not at a later date. As this has been highlighted to the Council repeatedly during the last few years, which has each year instigated the retrospective approval of payments, we have to advise that any further failures to record transaction at the appropriate time would result in a qualified audit report in respect of this aspect of the accounts.

3. Assessment of risks

We have reviewed both the risk assessment and the council's insurance policy.

We note that the Councils insurance policy shows that no DBS checks are undertaken. We would recommend that DBS checks are carried out with regards to the youth workers, and the insurance policy updated to reflect this.

4. Budgetary process

We have reviewed the budgetary process and reserves. It appears that the activities of Y Gat and the library are omitted from the budget altogether again this year. As the Council has committed to the responsibility of operating these facilities, all income and expenditure relating to these activities should be included in the budget. The omission of these activities means that the Council is at risk of having unexpected deficits which would erode the reserves, and is also not taking into account all sources of revenue and expenditure when calculating its precept requirements. We are therefore of the opinion that the budgetary process is not adequate.

5. Income

Expected income was fully received, in accordance with expectations, and had been correctly accounted for.

6. Petty Cash

We have reviewed petty cash receipts, and can confirm they have been correctly accounted for.

7. Salaries

We can confirm that the salaries paid were in accordance with employment contracts and that PAYE/NI requirements were properly applied.

8. Asset Register

We have reviewed the register and are happy that the register is a reasonable reflection of the assets held by the Council.

It is noted that the Council does not have any investments and so there is no investments register.

9. Bank account reconciliations

The monthly and year end reconciliations were reviewed and were found to be correct.

10. Accounting basis

The accounts were prepared on an income and expenditure basis.
The accounts agree with the cashbook, debtors and creditors and the audit trial between the cashbook and year end accounts is clear.

11. Trust Funds

It is noted that the Council does not have any Trust Funds

Should you have any queries regarding the above please contact Nicola Owen at this office.

Yours sincerely

Llewelyn Davies