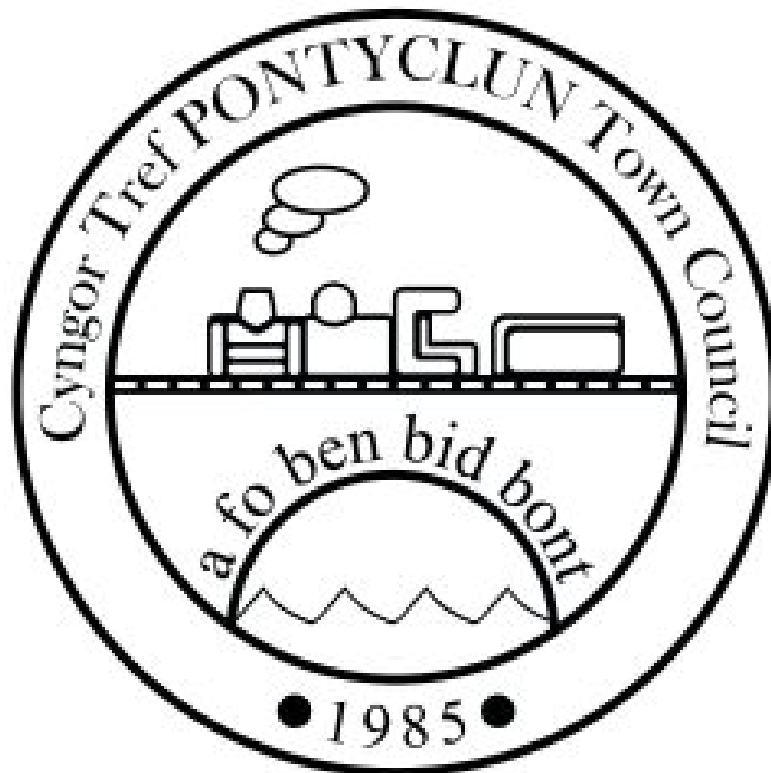


Pontyclun Town Council

<https://www.pontyclun.net/town-council>

Annual Interim Internal Audit Report 2024-25 financial year



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Internal Audit 2024-25

I. The role of internal audit

The requirement for an internal audit function in local government is detailed within the Accounts and Audit (Wales & England) Regulations 2015, which states that a relevant body must:

‘Undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector and internal auditing standards and guidance’.

The standards for ‘proper practices’ in relation to internal audit are laid down in the Public Sector Internal Audit Standards 2016 [the Standards].

The role of internal audit is best summarised through its definition within the Standards, as an:

‘Independent, objective assurance and consulting activity designed to add value and improve an organisation’s operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.’

The Council is responsible for establishing and maintaining appropriate risk management processes, control systems, accounting records and governance arrangements. Internal audit plays a vital role in advising the Council that these arrangements are in place and operating effectively.





The Council’s response to internal audit activity should lead to the strengthening of the control environment and, therefore, contribution to the achievement of the Council’s objectives.

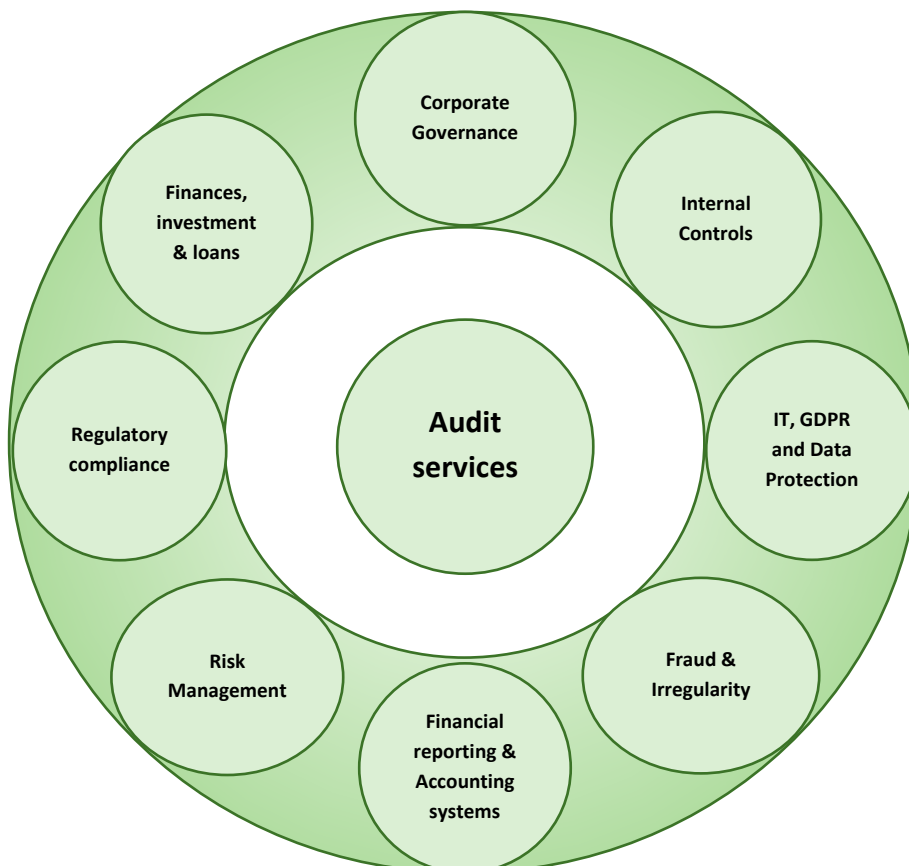
Internal Audit 2024-25

2. Internal audit approach

To enable effective outcomes, our internal audit approach provides a combination of assurance review and consulting activities. Assurance reviews involve assessing how well systems and processes are designed and working, with consulting activities available to improve those systems and processes where necessary.

A full range of internal audit assurance reviews are performed in forming the interim and year end opinions with the approach to each area of review determined by:

-  The level of assurance required to meet statutory requirements;
-  The Council's short, medium, and long term objectives;
-  The level of confidence in the policies and procedures; and,
-  The risks inherent in the Council's internal control methods.



Internal Audit 2023-24

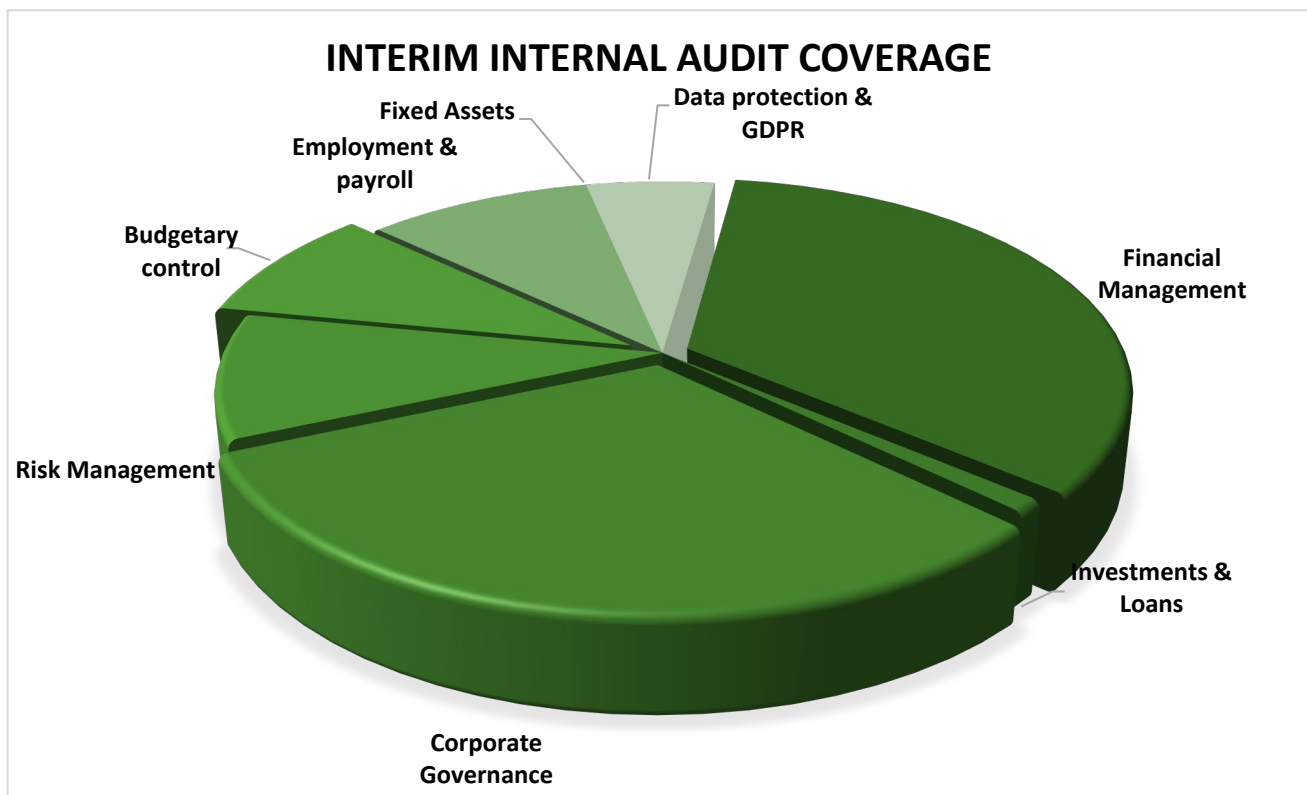
3. Internal audit coverage

The annual Internal Audit plan was prepared to take account of the unique characteristics and relative risks of Pontyclun Town Council's activities and to support the preparation of the Annual Governance and Annual Statement of Accounts contained within the Annual Return.

Assurance reviews in eleven areas have been planned and performed to obtain sufficient information and explanation considered necessary to give reasonable assurance that the Council's Internal Controls systems are functioning effectively. The Internal Audit plan for the 2024-25 financial year was approved in consultation with the Council's Clerk & Responsible Finance Officer (RFO) and was informed by our own assessment of risk and materiality.

The plan will be modified in future years, in consultation with the Clerk & RFO and Council Members to ensure it is aligned to the objectives of, and key risks facing the Council.

WGW online has provided assurance across 9 areas of review (3 further areas to be reviewed and 2 to be extended during the year-end audit), which correspond to the Internal Control objectives contained within the Annual Return: Annual Internal Audit Report, during the 2024-25 financial year to the 30th of September 2024.








Internal Audit 2024-25

4. Internal audit opinion

The Practice Manager of WGW online is responsible for the delivery of an interim and annual Internal Audit opinion and report that may be used by the Council to inform its Governance and Accounting statements in the Annual Governance and Accountability (AGAR) return. The year-end opinion, based on the review conducted onsite with the Clerk & Responsible Finance Officer (RFO) on the 17th of October 2024, with subsequent work being performed at our offices, examined the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control.

In giving this opinion, assurance can never be absolute and therefore, only reasonable assurance may be provided that there are no major weaknesses in the processes reviewed. In assessing the level of assurance to be given, I have based my opinion on:

-  The interim audit work & reports completed onsite and at our offices;
-  The results of the follow up discussions conducted with the Clerk & RFO;
-  The responses of the Council's Members to prior-year recommendations for improvement;
-  The quality and performance of the Council's administrative function and the extent of compliance with the Standards defined in the Joint Panel on Accountability and Governance, Practitioner's Guide; and,
-  The proportion of Pontyclun Town Council's audit requirement that has been covered during the interim review.

Interim Internal audit opinion

I am satisfied that sufficient assurance work has been carried out to allow me to form a reasonable conclusion on the adequacy and effectiveness of Pontyclun Town Council's Internal Control Ecosystem.

In my opinion, Pontyclun Town Council's framework of governance, risk management and management control has 'Substantial Assurance' with internal controls working in practice.

Where weaknesses have been identified previously, the detailed recommendations for improvement made in the prior-year Internal Audit Report have been implemented in full.

Internal Audit 2024-25










5. Council profile

Council name:	Pontyclun Town Council
Address:	Council Office, Pontyclun Community Centre, Heol yr Orsaf, Pontyclun CF72 9EE, Wales.
Unitary authority:	Rhondda Cynon Taff Borough Council, Council Offices, Bronwydd, Porth CF39 9DL
Proper officer:	Mr Julius Titus Roskowski
Responsible Finance Officer:	Mr Julius Titus Roskowski
General Power of Competence:	Council is currently Ineligible to Adopt the General Power of Competence.
Members:	Eleven available seats (Once vacant as at 17.10.24)
Elected Members:	Eight elected Members
Co-opted Members:	Two co-opted Members
Chairperson:	Councillor Wayne Owen
Vice-chairperson:	Councillor Jamie Daniel
Members Register:	Register details held in the Council Office
Head of Electorate:	6,080 (Six-thousand and eighty, October 2024).
Current precept:	£235,000 levied for the 2024-25 financial year
External Auditor's report:	The Council is in receipt of an Unqualified External Auditor's report dated the 29 th September 2024.
Website:	The Council maintains a free to access website on a secure server, published at https://www.pontyclun.net/town-council

Internal Audit 2024-25

6. Corporate Governance

The objective in this area of review is to ensure that the Council has robust corporate governance arrangements in place, and that, as far as we may reasonably be expected to ascertain (as we do not attend Council or Committee meetings) all meetings are conducted in accordance with the adopted Standing Orders and no actions of a potentially unlawful nature have been or are being considered for implementation. To meet the above objectives, we have: -

-  Noted that the Standing Orders and Financial Regulations were last Readopted and Readopted unamended at the Annual Meeting of the Town Council on the 8^h of May 2024, both under Minute reference FC/24-25/9a;
-  Commenced our review of the minutes of Full Council and its Standing Committee meetings (excluding Planning) for the full year ensuring that no issues affecting the Council's financial stability either in the short, medium or long term exist, noting that the Council's Agenda, Minutes and supporting documentation remain of a consistently exemplary quality;
-  Noted that the Council has adopted the Terms of Reference for its Standing Committees and informal working parties;
-  Noted that the Council currently maintains a full Risk Management Policy in place for the main Health & Safety and Business operations of the Council with a separate policy for the Council's Play and Recreation area. The Council undertook a robust and proportionate Health & Safety and Business Risk Assessment which was Received, Noted and Adopted at the 1st of February 2024 under Minute reference 9 (a & b), We further note that the Council's Risk Registers are reasonable, proportionate and appropriate for the Council's current and ongoing needs. The Council's Risk Assessments had not been Reviewed and Readopted as at the 17th of October 2024;
-  We note that the Council Members' Register of Interests have been updated, are available in the Council's offices. However, there are no hyperlinks to each Member's Register entry published on the Council's official website as is now required; **Interim Outcome: Adequate Assurance**
-  Noted that the Council continues to make Grants and Community Contributions to local organisations using appropriate Powers, including LGA 1972 s.137 ('the Power of last resort');
-  Noted that the Council is currently ineligible to adopt the General Power of Competence as the Clerk is not CiLCA qualified;
-  Noted that the Council published the Notice of the Exercise of Elector's Rights as required;
-  Noted that the Council maintains a website published on a secure website at <https://www.pontyclun.net/town-council> which is compliant with current Accessibility

Internal Audit 2024-25

Legislation, and upon which the Council's Minutes Agenda, Policies Procedures and other useful information may be found. The Minutes and Agenda bundles are easily identified and accessed;



Noted that the Council continues, as far as may be reasonably ascertained, to be compliant with the General Data Protection Regulation (GDPR). However, the Council could benefit from a review of its GDPR documentation at this time, including undertaking a Document Impact Assessment; **Interim Outcome: Adequate Assurance**, and,



Noted that the Council maintains solid Internal Controls, in concert with its Health & Safety Risk Policy and Risk Assessments as amended from time to time. Increasing emphasis is being placed on the development and management of internal controls both by the Joint Panel on Accountability and Governance (JPAG) as recorded in the Practitioners Guide and by the External Auditors in Wales and England. We have made a Best Practice recommendation in relation to the review of the Council's Internal Controls. **Interim Outcome: Adequate Assurance**

1) **Interim Outcome: Adequate Assurance**

7. Interim internal audit

Internal control objective 'I'

'Appropriate books of account have been properly kept throughout the year.'

The objective in this area of review is to ensure that the accounting records are being maintained accurately and currently and no anomalous entries appear in the financial ledgers.

Finance systems

The Council continues to utilise the Rialtas Alpha accounting system, considered the leading sector standard software solution for small to medium sized councils, to maintain its financial records.

To meet the above objectives, we have: -



Checked and verified that the closing balance for the 2023-24 financial year was correctly brought forward as the opening balance of the 2024-25 financial year;





Ensured that the nominal code structure remains appropriate to facilitate budgetary, income and expenditure analysis and reporting;



Ensured that the proper segregation of duties is in place with the Administration Assistant being able to load supplier and payment information, but not being able to approve and authorise payments;






Internal Audit 2024-25

-  Checked and verified all transactions on all Rialtas Alpha cashbooks for the period of the 1st of April to the 30th of September 2024; and,
-  Noted that the Council maintains a robust backup procedure with near-real time backups being made to the Microsoft Office 365 OneDrive cloud service. We consider this to be a reasonable and proportionate data security measure. We also note that the Council has reviewed its IT security due to the increase in cyber-attacks and potential internet fraud and already has a confidential policy in place which is not in the public domain for security reasons.

2) Interim Outcome: Substantial Assurance

Bank and building society accounts

The Council retains the public funds under its management in three separate accounts with two different financial institutions:

-  The Council maintains two bank accounts; with Lloyds Bank, a current and deposit account which are utilised for the Council's day-to-day banking requirements.
-  The Council maintains a Charity Bank Savings Account, opened on the 1st of September 2024;
-  The current Financial Regulations accord with the Council's current Internal Controls with two authorising persons required to process each payment;
-  The Mandates for all the Council's banking and investment accounts are reviewed at least once annually and have sufficient signatories to make enquires, load payments only, and authorise payments. The Bank Mandates, signatories and electronic payment authorisers were most recently Reviewed, Approved and Adopted at the Annual Meeting of the Town Council on the 8th of May 2024; and,
-  Proper segregation of duties has been assured at all times as the Council has a dedicated Administration Assistant who has responsibility for all bookkeeping, the Clerk & RFO validates the payments prior for these being submitted to Council Members for their Scrutiny and onward approval.

3) Interim Outcome: Substantial Assurance.

Investments and Loans

The Clerk & RFO has Certified that as at the 17th of October 2024 the Council retains no public funds in other investments and has no loans owed either by it, or to it.

4) Interim Outcome: Substantial Assurance.

Credit and Debit cards

Internal Audit 2024-25

We note that the Council continues to maintain a Barclays Bank credit card facility under the Welsh Government Scheme. There are two cards in use; one with a £1,500.00 credit limit, one with a £500.00 credit limit, allowing the Clerk & RFO and the Community Caretaker to make online procurements. Both cards are maintained securely in possession of the person that the cards are issued to.

The credit card statement is settled in full, each month, and all transactions are presented to Members at the Full Council meeting and subjected to the same scrutiny as all other payments.

5) Interim Outcome: Substantial Assurance





Internal control objective '2'

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




The objective in this area of review is to ensure that Council resources are released in accordance with the Council's adopted Standing Orders, Financial Regulations, budgets and other approved procedures, that payments are supported by appropriate documentation, either in the form of an original trade invoice or other appropriate form of document confirming the payment as due and/or an acknowledgement of receipt, where no other form of invoice

is available, that correct expense codes have been applied to invoices when processed, and that VAT has been appropriately identified and coded to the control account for periodic recovery.

To meet the above objectives, we have: -

-  Noted that the Council has not had any requirement to enter into a formal tender process during the period of the 1st of April 2024 to the 30th of September 2024;
-  Checked and verified that all quotations undertaken during the period of the 1st of April 2024 to the 30th of September 2024 have been undertaken in accordance with the Council's currently adopted Standing Orders and Financial Regulations;
-  Noted that no Purchase Order system is in place with significant orders being placed, via email by the Clerk & RFO;
-  Commenced our payment document testing process for the 2024-25 financial year, to ensure compliance with the Council's currently adopted Financial Regulations and Joint Panel on Accountability and Governance (JPAG) Practitioners Guide.

Internal Audit 2024-25

-  In total we selected payment sample with the criteria of all non-payroll related payments in excess of £1,000, together with every 20th cashbook transaction irrespective of value for the financial year to 30th of September 2024. Our test sample for the first half of the financial year comprised 21 payments, totalling £48,021.44 and equating to approximately 36% of all non-pay related payments made to the above date with no matters arising;
-  Checked and verified that all payment documents that have been validated by the Clerk & RFO, and that they had been presented to Members of the Full Council for Scrutiny and Approval. Such approval being recorded in the Council's published in the Minutes; and,
-  Checked and verified the Council's Q1 and Q2 VAT reclaims with no matters arising.







6) Interim Outcome: Substantial Assurance.

Internal control objective '3'

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

The objective in this area of review is to ensure that the Council has put in place appropriate arrangements to identify all potential areas of risk of both a financial and health and safety nature. We also aim to ensure that appropriate arrangements exist to monitor and manage those risks to minimise the opportunity for their coming to fruition.

To meet the above objectives, we have: -

-  Noted that the Council maintains a well-developed Risk Register;
-  Noted that the Clerk & RFO currently maintain the Risk Register;
-  Noted that the Council's Risk Register is usually updated during January and February each year, with the amended Register being presented to Full Council for Approval in February or March for the following financial year;
-  Noted that the Minutes of the Full Council record that the Risk Register was last amended, reviewed and formally readopted its Risk Registers at the 01.02.24 meeting of the Full Town Council under MR 9(a) &(b) for the 2024-25 financial year;
-  Noted that the Risk Register remains under continuous review during the Financial Year, with discrete assessments being undertaken for special events etc.;
-  Examined the Council's insurance policy to ensure that appropriate cover is in place: Cover is provided by Clear Insurance Management Ltd (underwritten by Aviva) under a 'Clear Council's policy, number 100723637BDN/LC001822 with the period of cover running from the 1st August

Internal Audit 2024-25

2024 until cancelled: Key features include: Employers Liability £10 million, Products & Public Liability £10 million, Officers & Trustees Indemnity £500k, Fidelity Guarantee £250K, Legal Expenses £250K, Libel & Slander £250k and Data Breach Response, £25,000. We consider the level of cover appropriate for the Council's current needs; and,



Noted that the Council has one children's playground under its management at Pontyclun Park. Weekly inspections are conducted by the caretaker (who does not hold a current inspector certificate) while quarterly inspections are conducted by Rhondda Cynon Taf, the Annual inspections are conducted by an independent RoSPA certified Playground inspector; and,



Noted that the Council has a currently adopted, standalone Playground Risk Management in place.

7) Interim Outcome: Substantial Assurance

Internal control objective '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.'

The objective in this area of review is to ensure that the Council has determined its annual budget based on sound assumptions of intended spending, that sufficient funds are available to meet future spending plans and that members are kept aware of actual budgetary performance during the course of the financial year. We also seek to assess the adequacy of retained reserves, be they in respect of specific earmarked funds or the General Fund. To meet the above objectives, we have: -



Noted that the Review of Minutes confirms that detailed monthly finance reports and the Budget vs. Actual reports are reviewed, in detail, on a quarterly basis;



Noted that as at the date of the Interim internal audit that the Clerk & RFO and Members were, embarking upon detailed and robust Budget setting and Precept determination process.

The final draft budget will be submitted for Members' scrutiny and approval at a Meeting of the Full Town Council, usually held in December; and,



The Council maintains seventeen properly constituted earmarked reserves. The opening balance as at the 1st of April 2024 was £118,839.15, as at the 30th of September 2024 the closing balance stood at £214,303.90 with net in year transfers of £95,464.75 to that date

8) Interim Outcome: Substantial Assurance – We shall review the outcome of the Budget setting and precept determination process during the year-end audit.

Internal Audit 2024-25




Internal control objective '5'

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

The objective in this area of review is to ensure that the Council maintains appropriate records are to ensure that all income due to the Council is identified, invoiced accordingly, and recovered within an appropriate time scale. To meet the above objectives, we have: -

Noted that in addition to the Precept the Council receives relatively limited variety of sources, including fees for grass cutting at a local school, occasional grants and donations, pitch hire for special events, fund raising events, bank interest payments and VAT reclaims.

As the Council technically has no regular services there is no schedule of Fees and Charges. We have:

-  Noted that the Council has no leases in place with any third party;
-  Noted that the Council holds no saleable stock; and,
-  Noted that the Council demonstrates reasonable and proportionate credit control processes.

Accuracy of Nominal Ledger Account Code and Cost Centre records

We have examined the detailed nominal ledger income reports for the year to date ensuring that, as far as we are able to reasonably ascertain, all income due to the Council has been received and recorded appropriately. Further, we have reviewed the Nominal Ledger to ensure that the income and expenditure has been accurately recorded against appropriate Account and Cost Centre Codes with no matters arising.

9) Interim Outcome: Substantial Assurance

Internal control objective '6'

'Petty Cash payments were properly supported by receipts; all petty cash expenditure was approved, and VAT appropriately accounted for.'

The objective in this area of review is to ensure that the Council manages its Petty Cash system(s) in accordance with its adopted Financial Regulations, that items purchased are suitable for the Council's use, transactions are correctly recorded in the Council's cashbooks, that VAT is identified for recovery where appropriate and that the Petty Cash account is reconciled on an appropriate basis.

To meet the above objectives, we have:

Internal Audit 2024-25







Noted that Pontyclun Town Council does not operate a Petty Cash system. Credit cards are in place to facilitate online and daily consumable purchases. Members are required to submit formal expense claims for any out of pocket expenses, which are subject to the same level of scrutiny and review by the Clerk & RFO and Members as all other payment documents.

10) **Interim Outcome: Substantial Assurance.**

Internal control objective '7'

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

The objective in this area of review is to ensure that the Council is appropriately observing extant legislation regards adherence to the Employee Rights Act 1998 and the requirements of HM Revenue and Customs (HMRC) legislation as regards the deduction and payment over of income tax and NI contributions, together with meeting the requirements of the local government pension scheme. To meet the above objectives, we have: -

-  Noted that the Council had five employees at the 30th of September 2024: The Clerk & Responsible Finance Officer, Administration Assistant, Community Engagement and Café 50 coordinator, Community Caretaker & Assistant Community;
-  Noted that all staff members are enrolled in the LGPS managed by Rhondda Cynon Taff CBC;
-  Noted that the payroll is managed in house, by the Clerk & RFO using HMRC PAYE Tools;
-  All other staff are required to maintain timesheets to enable analysis of work type and to calculate Time off in lieu (TOIL) where appropriate; and,
-  Checked and verified the payroll control spreadsheet for the period of the 1st of April 2024 to the 30th of September 2024 with no issues arising.
-  Checked and verified the detail of the net salary and third-party payments of PAYE / NI and Pension contributions by reference to payslips and payroll summary reports and the subsequent payments issued for September 2024.

11) **Interim Outcome: Substantial Assurance. We shall extend this area of review at the year end audit and will examine the following documents: 1) The Establishment list, 2) Contracts of employment, 3) Minutes confirming amendment to pay rate and/or scale, 4) Payslips for the Months of October 2024 and March 2025, 5) all year-end payroll documentation including P60s and P11Ds (where appropriate).**

Internal Audit 2024-25

Internal control objective '8'

'Assets and investments registers were complete and accurate and properly maintained.'

The objective in this area of review is to ensure that the Council that the Council has prepared and maintains a register of its stock of land, buildings, vehicles, furniture and equipment as required by the Governance and Accountability Manual.

The 2024-25 Fixed Asset Register will be reviewed during the year-end audit.




12) Interim Outcome: To be reviewed during the year-end audit

Internal control objective '9'

'Periodic bank account reconciliations were properly carried out during the year.'

The objective in this area of review is to ensure that the Council conducts regular reconciliations of the bank, building society and other investment accounts in which it maintains the public funds raised by taxation. That these reconciliations along with the corresponding account statements are presented to Members for their scrutiny and approval with that being recorded in the Minutes of the Full Council or its Committees.

To meet the above objectives, we have: -

-  Noted that the Administration Assistant reconciles all the Council's financial accounts on a monthly basis;
-  Checked and verified the Bank Reconciliation on the Lloyds Bank Current and Deposit Account, and The Charity Bank Savings Account 1st of April 2024 to the 30th of September 2024 no matters arising;
-  Noted that there is clear evidence of monthly reconciliations being undertaken, however, the periodic review of the Reconciliation Statements is not recorded in the Council's Minutes.

Interim Outcome: Adequate Assurance

13) Interim Outcome: Adequate Assurance

Internal Audit 2024-25






Internal control objective '10'

'Accounting statements prepared during the year were prepared on the correct accounting basis (receipts and payments or income and expenditure), agreed to the cashbook, supported by an adequate audit trail from underlying records and where appropriate debtors and creditors were properly recorded.'






The objective in this area of review is to ensure that the Council is compliant with the 2015 Accounts and Audit Regulations which requires all Councils to prepare annually a detailed Statement of Accounts, together with supporting statements identifying other aspects of the Council's financial affairs.

The Council's accounts are managed in the Rialtas Alpha software accounting package, detail of which we have examined and consider reflects accurately the half-year's transactions as recorded therein. The software is used to manage the following working records and management reports which have all been checked and verified from the 01st of April 2024 to the 30th of September 2024 with reference to prime documentation:

Working records

-  Cashbooks
-  Journals
-  Reconciliation statements
-  Budgetary reports
-  VAT reclaim reports

Management reports

-  Earmarked Reserves
-  Trial balance
-  Nominal Ledger
-  Income and expenditure reports
-  Statutory balance sheet

We have checked and verified the Closing Trial Balance for the 2023-24 financial year, as at the 31st of March 2024 against the Opening Trial Balance for the 2024-25 financial year as at the 1st of April 2024 ensuring that the cashbooks remained in balance, with no matters arising.

Further we have undertaken a 'line-item' check and verification for all the Council's cashbooks, journals, nominal ledger, for the months of April, June and September 2024, with reference to the supporting prime documentation and the Council's published Minutes.

We have checked and verified the Trial Balance as at the 30th of September 2024, against primary documentation, ensuring that the cashbooks remained in balance, with no matters arising.

Internal Audit 2024-25


Finally, we have checked and verified the Nominal Ledger report to the 30th of September 2024 to ensure that appropriate coding has been applied and that there is no unexplained or unbudgeted expenditure with no matters arising.

14) **Interim Outcome: Substantial assurance.**

Internal control objective 'II'

'Trust funds (including charitable) – The council met its responsibilities as a trustee.'

The objective in this area of review is to ensure that the Council has met its statutory requirements where it acts as a trustee for any trust fund or charitable trust, including maintaining separate financial and bank accounts and making all required statutory returns to the Charities Commission and/or the HMRC.

 The Clerk has certified that Pontyclun Town Council is not responsible for any Trust Fund or Charitable Trust and has no responsibilities as a trustee for any organisation.

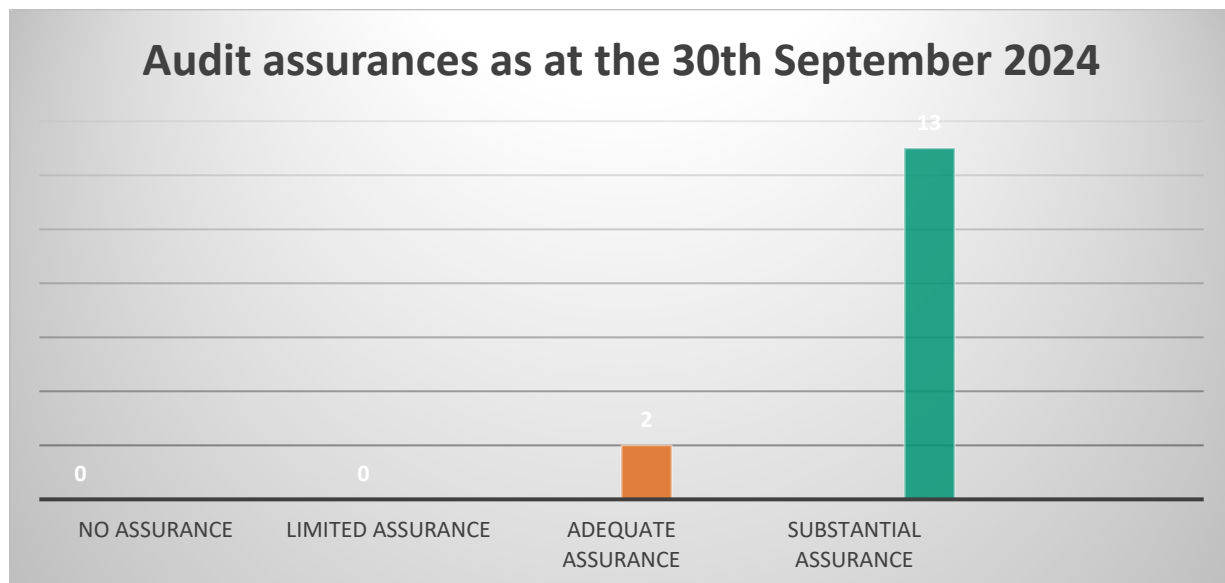
15) **Interim Outcome: Substantial Assurance**

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Internal Audit 2024-25

8. Assurance review

During the Interim internal audit for the 2024-25 financial year, we have undertaken 191 separate audit tests, providing fifteen separate assurances in the eleven areas of review which correspond to the Internal Control objectives contained within the Annual Return: Annual Internal Audit Report as detailed in the chart below.



Substantial: A sound framework of internal control is in place and operating effectively. No risks to the achievement of system objectives have been identified;

Adequate: Basically, a sound framework of internal control with opportunities to improve controls and / or compliance with the control framework. No significant risks to the achievement of system objectives have been identified;

Limited: Significant weakness(es) have been identified in the framework of internal control and / or compliance with the control framework which could place the achievement of system objectives at risk; or

No: Fundamental weaknesses identified in the framework of internal control or the framework is ineffective or absent with significant risk to the achievement of system objectives.

Internal Audit 2024-25

9. Issues identified during the 2024-25 audit cycle

Interim audit recommendations

Corporate governance

1) **Interim Outcome: Adequate Assurance**

We have noted that the Council publishes brief biographical details of its elected and coopted Council Members on its official website. It has been a statutory requirement since the beginning of the 2024-25 financial year to provide a hyperlink from the biographical details of each Council Member to a copy of their current Register of members Interests.

Recommendation

The Clerk & RFO should ensure that the Council's official website is updated to include a hyperlink from the biographical details of each Council Member to a copy of their current Register of members Interests.

2) **Interim Outcome: Adequate Assurance – Best Practice recommendation**

We have noted that the Council maintains a robust and proportionate approach to Risk Management of both its Business and Health & Safety Risk Management including the maintenance of a Health & Safety Risk Management Policy. We note that in the financial year to the 17th of October 2024, the Council's Business and health & Safety Risk Assessments had not been reviewed and readopted: The Council last amended, reviewed and readopted its Risk Registers at the 01.02.24 meeting of the Full Town Council under MR 9(a) &(b),

Recommendation

We take this opportunity to remind the Clerk & RFO and Members that it is Best Practice to review the Council's Risk Registers and Risk Assessments at least once annually, in the current financial year and to formally Adopt these, recording the adoption in the Published Minutes of the corresponding meeting.

3) **Interim Outcome: Adequate Assurance – Best Practice recommendation**

Noted that the Council continues, as far as may be reasonably ascertained, to be compliant with the General Data Protection Regulation (GDPR). However, the Council could benefit from a review of its GDPR documentation at this time, including undertaking a Document Impact Assessment.

Internal Audit 2024-25

Recommendation

The Clerk & RFO and Members should consider reviewing its current GDPR documentation, including undertaking a Document Impact Assessment, which would make a useful addition to the Council's Health & Safety Register. A suite of template GDPR documents has been provided for the Clerk & RFO's information as an appendix to this report, we suggest that the Clerk & RFO reviews these to identify any gaps which may exist in the Council's current policies and internal controls documentation.

4) Best Practice recommendation

Increasing emphasis is being placed on the development and management of internal controls both by the Joint Panel on Accountability and Governance (JPAG) as recorded in the Practitioners Guide and by the External Auditors in Wales and England.

Recommendation

Although the Council, as mentioned earlier in this report, has a robust approach to the management of Risk Management the continuous improvement of Internal Controls, including Risk Management, is becoming increasingly critical to all Council's operations as recorded in the JPAG Practitioners Guide and is also becoming the focus of the External Auditors in Wales and England. A template Statement of Internal Controls has been provided for the Clerk & RFO's information as an appendix to this report, we suggest that the Clerk & RFO reviews these to identify any gaps which may exist in the Council's current policies and internal controls documentation.

Internal control objective '9'

5) Interim Outcome: Adequate Assurance

There is clear evidence of monthly reconciliations being undertaken, however, the periodic review of the Reconciliation Statements is not recorded in the Council's Minutes.

Recommendation

It is considered Best Practice to periodically present the Council's financial account reconciliation statements for scrutiny and approval to either Full Council or the Finance & Policy Committee. We recommend that this practice should be undertaken on a quarterly basis.

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Internal Audit 2024-25



10. Confirmation of independence and Quality Assurance

During the 2024-25 financial year to the 30th of September 2024, we confirm that the internal auditor has acted independently and on the basis of an assessment of risk, carried out a selective assessment of compliance with the relevant procedures and controls in operation, based upon the internal audit programme, and has obtained appropriate evidence including copies of prime documentation to support our opinions from Pontyclun Town Council.

The interim internal audit for the 2024-25 financial year, conducted on the 17th of October 2024, was carried out in accordance with Pontyclun Town Council's needs and planned coverage. Based on the findings in the areas examined, the internal audit conclusions are summarised in the main body of this report, which corresponds to the Internal Control Objectives table contained within the FY2024-25 Annual Return's Annual Independent Internal Audit Report, which has been duly authorised, with positive assurances assigned against each internal control objective reviewed.

11. Internal Audit Performance

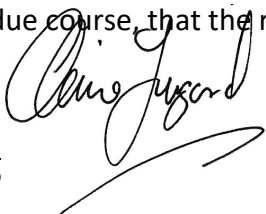
The following performance indicators are maintained to monitor effective service delivery & quality:

Annual performance indicators			
Aspect of service	Interim 2024-25 (Actual %)		YE 2024-25 (Actual %)
Internal Audit plan delivered	57%		
Positive customer responses to quality appraisal questionnaire			
Compliant with the Public Sector Internal Audit Standards	Yes		

12. Acknowledgements

We would like to take this opportunity to thank the Clerk, and RFO of Pontyclun Town Council for the quality of the internal control systems, the manner in which the documentation for audit was presented and the positive engagement with the Internal Audit process.

We now ask that the Clerk/RFO and Members consider the content of this report and acknowledge, in due course, that the report has been formally reviewed and adopted by the Council.



Internal Audit 2024-25

C Lingard-McKay
Head of WGW online internal audit practice