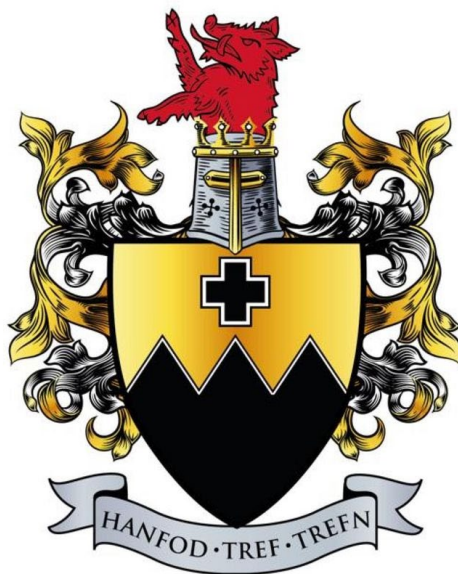


Ammanford Town Council

<https://www.ammanford-tc.gov.uk/>

Year-end Internal Audit Report 2025-26 financial year



Claire Lingard McKay

Working the Greener Way - Online



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This Internal Audit Report has been prepared for the sole use of Ammanford Town Council. To the fullest extent permitted by law, no responsibility or liability is accepted by WGW Online to any third party who purports to use or rely, for any reason whatsoever, on this report, its contents or conclusions. This report is issued to XYZ Town Council on a confidential and privilege basis.

1. 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 April 2017 [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, contribute to the achievement of the Council’s objectives.

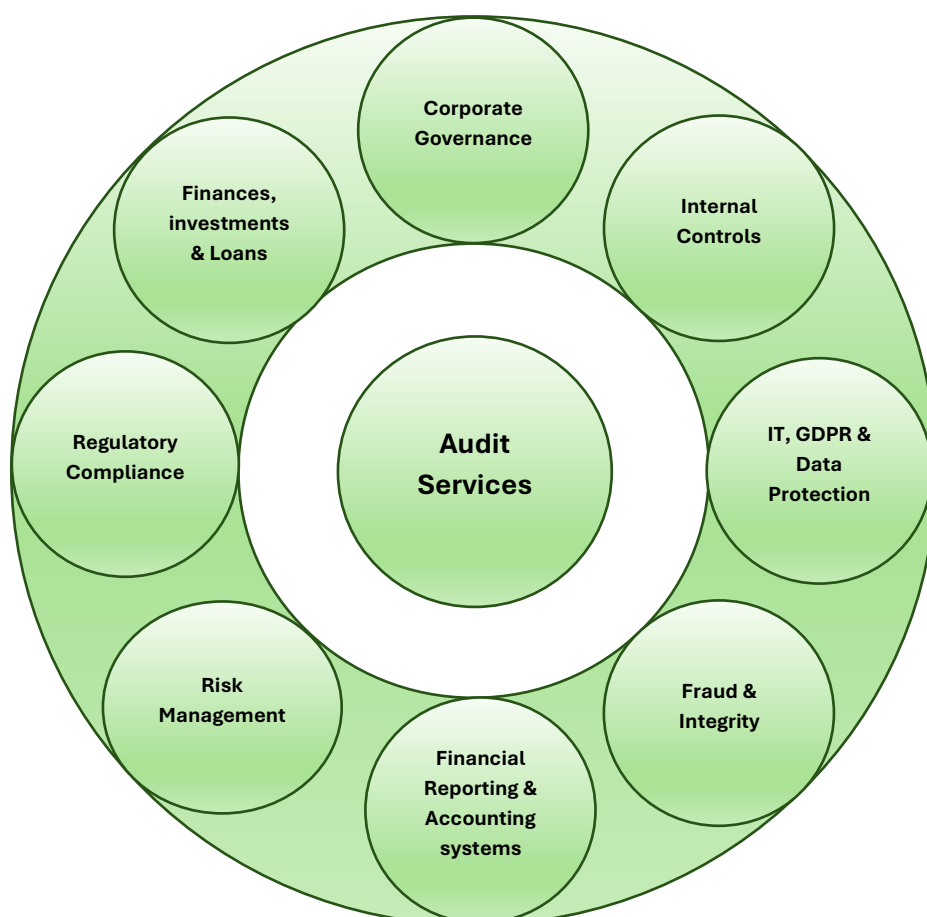
2. Internal audit approach

The risks inherent in the Council's internal control methods

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 year-end opinion 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.



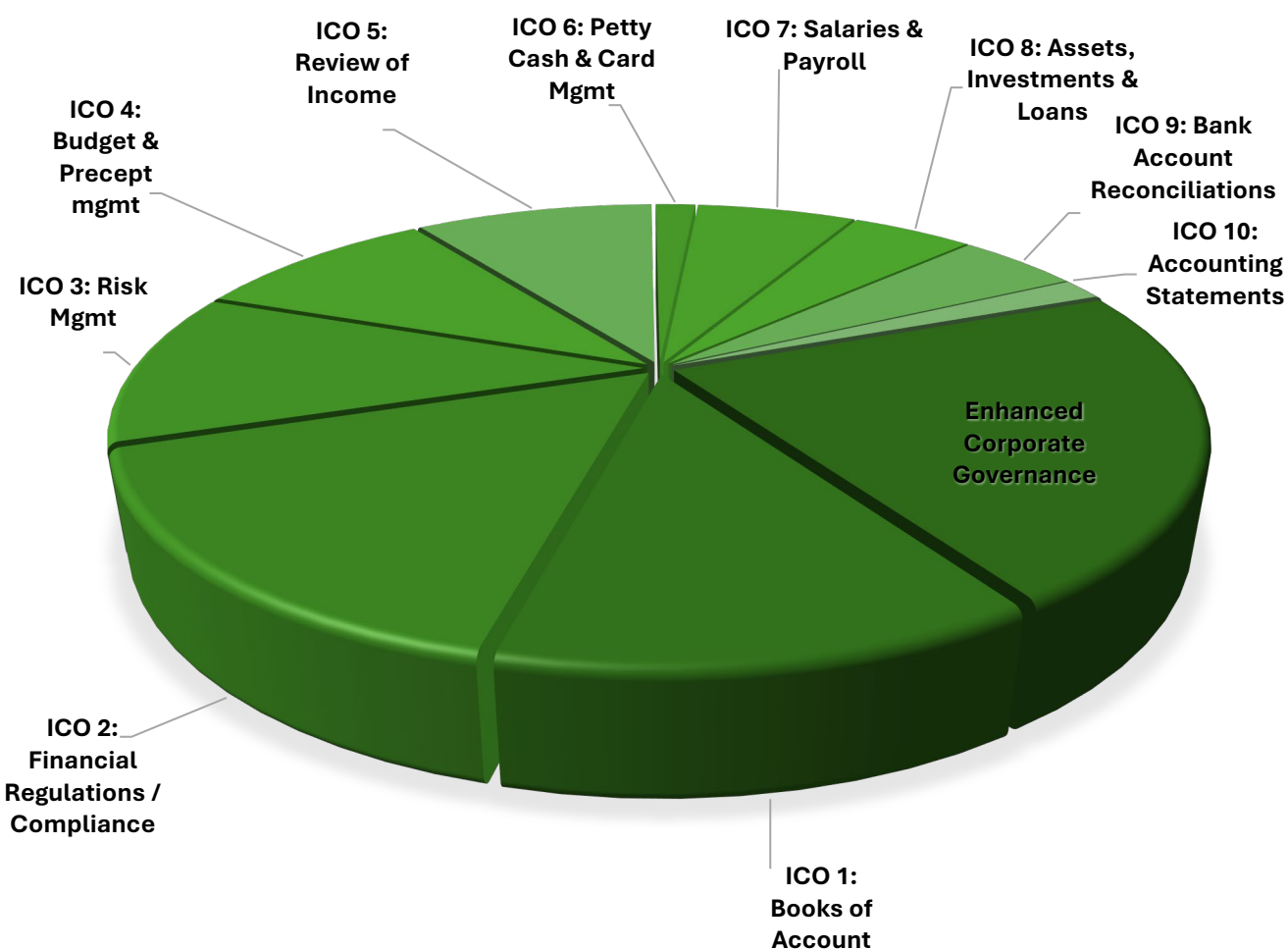
3. Internal audit coverage

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

Assurance reviews in twelve 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 2025-26 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 to ensure it is aligned to the objectives of, and the key risks facing the Council.

WGW online has provided assurance across twelve areas of review, which correspond to the eleven Internal Control objectives contained within the Annual Return: Annual Internal Audit Report, and an enhanced review of Corporate Governance during the 2025-26 financial year to the 31st of March 2026.

YEAR-END INTERNAL AUDIT COVERAGE



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 Return. The year-end opinion, based on our review conducted remotely, with the assistance of the Clerk & RFO, remotely on the 27th of May 2026, with supplemental work being undertaken at our offices, examined the overall adequacy and effectiveness of the organisation's framework of governance, risk management and Internal Controls.

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 year-end audit work & reporting completed at our offices;
-  The results of the follow up discussions conducted with the Clerk & RFO;
-  The responses of the Council to prior year's internal audit report;
-  The quality and performance of the Council's administrative function and the extent of compliance with the Standards defined in the Smaller Authority Proper Practices Panel (SAPPP) 2025, Practitioner's Guide; and,
-  The proportion of Ammanford Town Council's audit requirement that has been covered during the year-end review.

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 Ammanford Town Council's Internal Control Ecosystem.

In my opinion, Ammanford 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 and/or Best Practice recommendations for improvement made, these are recorded in Section 9: 'FY2025-26 Internal Audit Action Plan' of this Internal Audit Report.

5. Council profile

Council name:	Ammanford Town Council
Address:	13 Wind Street, Ammanford
Unitary authority:	Carmarthenshire County Council, County Hall, Castle Hill, Carmarthen SA31 1JP
Proper officer:	Jayne Stephanie Grazette
Responsible Finance Officer:	Jayne Stephanie Grazette
General Power of Competence:	The Council is not currently eligible to Adopt the General Power of Competence. This has not impeded the Council's operations or performance
Members:	Fifteen seats
Elected Members:	Nine elected members
Co-opted Members:	Five co-opted members (one casual vacancy)
Chairperson:	Cllr Heulwen Howells
Vice-chairperson:	Cllr Calum Higgins
Members Register:	A physical Members Register is maintained in the Council's office. A Hyperlink to the 2025-26 Member's Register is available from the Councillors profile page on the Council's official website
Size of Electorate:	4,129 (Four thousand one hundred and twenty-nine) 31.03.26
Current Precept:	£397,646 for the 2025-26 financial year
External Auditor's Report:	The 2024-25 financial year Audit Wales opinion rendered on the 15 th of April 2026 was 'Unqualified'.
Official Website:	The Council maintains a free to access website on a secure server, published at: https://ammanford-tc.gov.uk

6. Corporate governance

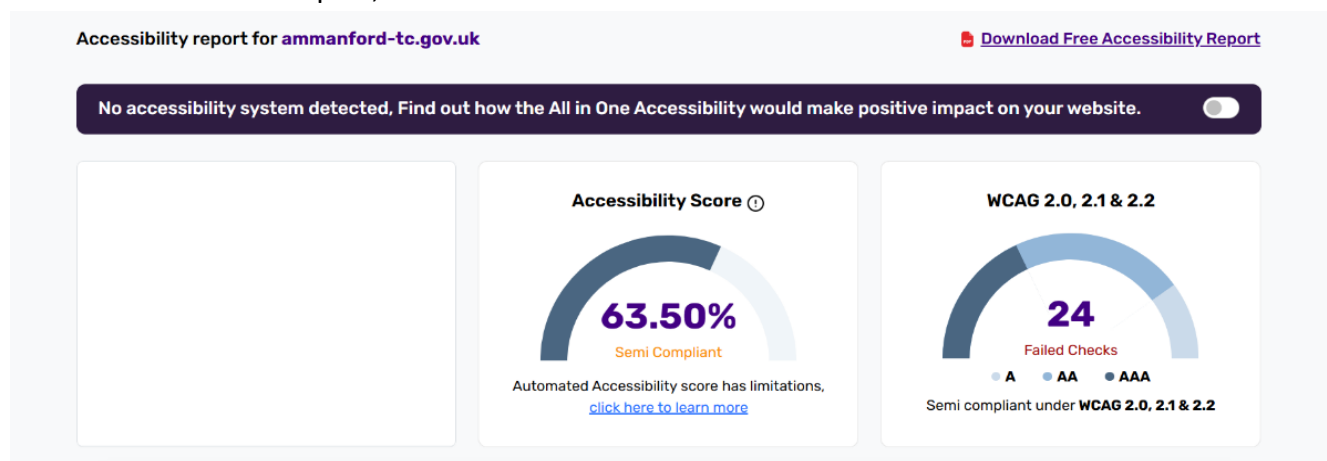
The objective in this area of review is to ensure that the Council has robust corporate governance arrangements in place, and that, as far as we may reasonably be expected to ascertain (as we do not attend Council or Committee meetings) all meetings are conducted in accordance with the adopted Standing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

To meet the above objectives, we have:

-  Reviewed the Council's responses to our prior year Internal Audit Report and noted that these were formally reviewed by members. We recognise the significant efforts which have been made by the Town Clerk & RFO and the Council Members in implementing the recommendations which were made during the 2024-25 financial year;
-  Noted that the Financial Regulations were last Readopted unamended at the Annual Meeting of the Town Council on the 26th of February 2026, both under Minute reference under Minute reference 10 of that meeting;
-  Noted that the Standing Orders were reviewed during the 2025-26 financial year, but were not readopted pending receipt of the current One Voice Wales Model document. The Town Clerk & RFO has advised us that the amended Standing Orders will be placed before Members for their onward scrutiny and approval during the 29th of June 2026 Town Council meeting;
-  Noted that the Council is currently ineligible to adopt the General Power of Competence. This position has not impacted the council's operational effectiveness;
-  Noted that the Council has adopted the Terms of Reference for its Standing Committees;
-  Noted that the Council has published the Notice of the Exercise of Elector's Rights, Annual Return and Internal Audit reports on its official website as required;
-  Noted that the Council has published the Notice of Conclusion of audit on its official website as required;
-  Noted that the Council has published the Annual Returns and Accounting Statements, and supporting documentation on its official website as required;
-  Concluded our review of the minutes of Full Council and its Finance and Personnel Committee meetings (excluding Planning matters) 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 are of a generally good standard;
-  Noted that the Council continues to make Grants and Community Contributions to local organisations, however the relevant Statutory Powers are not recorded in the Approved and Published minutes of the Council. We remind the new Town Clerk of the necessity to do so;
-  Noted that the Council maintains a free to use website under the domain: <https://www.ammanford-tc.gov.uk> hosted on a secure JSEC approved server;
-  Noted that Officers, Members and Staff have been issued with 'name@ammanford-tc.gov.uk' email address for Council business use exclusively;
-  The Council's official website contains a limited amount of information including the Council's meeting diary, Agenda, Agenda Packs, Minutes, Policies & Procedures, Financial information and

Audited Accounts. However, there is information missing relating to the Council's property including playgrounds and recreation areas which should be included. It should also be noted that the website is somewhat difficult to navigate;

- Noted that the Council's official website is semi-compliant (63.5%) with current WCAG 2.2AA Accessibility Legislation. We have attached the corresponding report as Appendix A to this internal audit report;



- Noted that the Council is registered with the Information Commissioners Office (ICO) as a Data processor under certificate number ZA498991 with an annual renewal date of the 24th of February each year;
- The Council Approved and Adopted the ICO's model Publication Scheme using the 2025 model document.
- Noted that the Council had not received any Freedom of Information requests during the 2025-26 financial year;
- Noted that the Council continues, as far as may be reasonably ascertained, to be compliant with the General Data Protection Regulation (GDPR);
- Noted that the Council holds a basic GDPR & Privacy policy;
- Noted that the Council has both an Approved and Adopted Social Media Policy and a Press and Media Policy which are published on its official website; 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 Smaller Authorities Proper Practices Panel (SAPPP) as recorded in the Practitioners Guide and by the external auditor: Audit Wales.

Conclusion & Recommendations

The Council's Corporate Governance has seen a marked improvement over the 2025-26 financial year with a marked improvement in the quality of the Minutes of the Council and its Committees. However, there are areas in which Best Practice improvements could be made.

- R.1 The Town Clerk should ensure that when Awards of Grant Aid are made that the Statutory Power under which the Grant is made is recorded.

- R.2 The Council's official website is somewhat dated and difficult to navigate, is only semi-compliant with the current WCAG2.2AA Accessibility Standard and does not contain all the necessary information, for example the Council's leisure facilities, playgrounds and parks. We strongly recommend that the current website is significantly upgraded or replaced to ensure that the Council is represented properly to its electorate.
- R.3 We have noted that the Council has adopted the ICO's model publication scheme and recommend that the Town Clerk & RFO subscribes to the ICO's newsletter to stay apprised of any changes to this.
- R.4 Noted that the Council has a basic GDPR and Privacy policy. It is our opinion that this is no longer appropriate and that the Town Clerk & RFO should draft a suite of GDPR specific policies which are suitable for the Council's current and ongoing requirements, in particular, in relation to the amendments to the GDPR and Data Protection Act which are enacted on the 19th of June 2026.

Outcome - Corporate Governance**Substantial Assurance**

7. Annual Independent Internal Audit

Internal control objective '1'

'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 that no anomalous entries appear in the financial ledgers.

To meet the above objectives, we have reviewed the following: -

Finance systems

The Council uses Scribe Accounts to maintain its financial records.

-  Checked and verified that the closing balance for the 2024-25 financial year was correctly brought forward as the opening balance of the 2025-26 financial year;
-  Checked and verified all transactions for the Months of April, June, September and December 2025 and March 2026; and,
-  Noted that as Scribe is a 'tenanted' application, the financial data is backed up in near real time and may be accessed from anywhere that has an internet connection with the appropriate login details. We consider this to be a secure system and de-risks a disaster recovery situation where the Town Clerk & RFO could be required to work from a different location.

Bank Accounts

The Council retains the public funds under its management in three separate bank accounts with a single financial institution.

-  The Council maintains three bank accounts with the National Westminster Bank plc. These accounts are utilised for the Council's day-to-day banking requirements;
-  The current Financial Regulations accord with the Council's current Internal Controls with two authorising persons required to process each payment;
-  The Town Clerk & RFO has delegated authority to make payments up to a maximum of £5,000.00 in an emergency situation;
-  The Mandates for all the Council's banking and investment accounts are reviewed at least once annually and have sufficient signatories to guarantee that the Council is in a position to make enquires, load payments only, and authorise payments; and,
-  We discussed formal segregation of duties with the Town Clerk & RFO. We consider that the Internal Controls pertaining to the procurement, ordering goods and services are both proportionate and robust. However, it is our opinion that only Council Members should be authorising online payments to enforce proper segregation of duties. This is not a criticism of the Town Clerk & RFO, rather a best practice recommendation to ensure that robust Internal Controls are in place and working in practice.

Investments

The Town Clerk & RFO has Certified that as at the 31st of March 2026 the Council retains no public funds in other investments.

Loans

The Town Clerk & RFO has Certified that as at the 31st of March 2026 the Council held no loans either owed by it, or to it.

Credit and Debit cards

The Town Clerk & RFO has Certified that during the 2025-26 financial year, the Council only held a debit. All debit card purchases were subject to the same level of scrutiny as all other payments.

Conclusion and recommendations

Segregation of duties is a fundamental internal control principle in accounting departments that distributes key tasks and responsibilities among multiple individuals to reduce the risk of fraud and error. This practice ensures that no single employee has complete control over critical financial processes or transactions. For example, the employee who processes payroll should be different from the one who reconciles bank statements, whilst the person who approves payments should be separate from those who initiate them. By requiring multiple individuals to participate in sensitive workflows, this control not only enhances error detection but also serves as a natural deterrent against fraudulent activities, as employees are less likely to attempt misconduct when their work is subject to oversight and verification by colleagues.

Please note that this is not a criticism of any member of staff – this is accepted best practice.

In accounting departments, it's typically recommended that you segregate duties in 3 key areas: authorisation, recordkeeping, and custody of assets. Preventing any single person from having complete control over these three key areas will lead to:

- Fewer errors: Separation of duties creates a safety net, catching errors before they become bigger problems.
- Fraud prevention: Creating checks and balances makes it much harder for fraud to occur.
- Greater accuracy: Separation of duties ensures multiple people are responsible for the accuracy of your financial records.

- R.5 We strongly recommend that the Town Clerk & RFO develop a formal Segregation of Duties policy, to be subject to scrutiny and Approval by Members, to suit the council's requirements. This should include online payment authorisations being made only by Council Members except in an emergency using Delegated Authority.
- R.6 The Council's currently adopted Financial Regulations should be revised to reflect the Segregation of Duties policy.
- R.7 The Town Clerk & RFO should ensure that the ability to authorise any payment from the bank is formally restricted to the Delegated Authority emergency expenditure limit of £5,000.00 confirmation by the Bank that this has been enacted to be retained on the Council's permanent files.

Outcome - Internal Control Objective '1'

Adequate 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 analysis 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 undertaken two formal tender process during the period of the 1st of April 2025 to the 31st of March 2026. Both tenders were registered on the Welsh Government's procurement portal: Sell2Wales. The first tender in respect of the Council's Christmas Lights contract was published on the 21st of August 2025 under reference [ocds-kuma6s-154404](#). The second tender in respect of the replacement of a Children's Playground at Riverway Park Ammanford was published on the 19th of November 2025 under reference OCID: [ocds-kuma6s-158274](#). It is our opinion that the tenders were properly and transparently managed and that the process was in compliance with the Council's Financial Regulations times;
-  Checked and verified that all quotations undertaken during the period of the 1st of April 2025 to the 31st of March 2026 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;
-  Concluded our payment document testing process for the 2025-26 financial year, to ensure compliance with the Council's currently adopted Financial Regulations: The sample criteria being all non-payroll related payments in excess of £2,000.00 and every 25th cashbook transaction irrespective of value made during the 2025-26 financial year. Our test sample comprised 57 payments, totalling £260,096.42 and equating to 69% of all non-pay related payments made t with no matters arising; and,
-  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 Minutes;

Conclusion

There are no matters arising from this area of review warranting formal comment or recommendation.

Outcome - Internal Control Objective '2'

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 retains Peninsula to manage its Health & Safety ecosystem. We are advised that the Peninsula specialist attends the Council on a quarterly basis and produces an update report, issued to the Clerk & RFO and retained in the Council's Health & Safety Handbook;
-  Noted that the Council's Health & Safety Handbook is not currently Reviewed and Approved by Council Members;
-  Examined the Council's insurance policy to ensure that appropriate cover is in place: Cover is provided by Ecclesiastical Insurance (Ecclesiastical Insurance Office plc (EIO) Reg. No. 24869) under policy number 8187980 with the period of cover running from the 28th of June 2025 to the 27th of June 2026.

Key features include:

Cover Item	£
Buildings	2,424,384
Products & Public Liability	10,000,000
Employers' Liability	10,000,000
Hirers' Liability	2,000,000
Trustees' and Management Liability	500,000
Fidelity Guarantee	250,000
Legal Expenses	250,000
Money	250,000
Reputational Risks	25,000
Personal Accident	10,000
Business interruption	10,000

We consider the level of insured cover appropriate for the Council's current needs.

-  Noted that the Council is responsible for multiple public facilities including six children's playgrounds, a Skate Park, a MUGA a Splash Park a Recreation Ground and Ammanford Park;
-  Noted that Carmarthenshire County Council undertakes quarterly independent play and recreation area inspections using the services of the sector specialist organisation: The Play Inspection Company Limited. We are advised by the Clerk & RFO that any defects which are identified receive immediate attention and are advised to Council Members as part of the rectification process;
-  Noted that the regular play area inspections are undertaken by a member of staff who is certified to conduct play park inspections; and,

We are advised by the Clerk & RFO that the Council's Playground and Recreation area inspections, both internal and independent, are retained for the statutory period of eighteen plus three years.

Conclusion

There are no matters arising from this area of review requiring formal comment, however, we have made two best practice recommendations.

We have noted the Council's robust approach to its Risk Management and Mitigation duties. However, where a Council is responsible for the management of Children's Playgrounds and recreation facilities it is critical that the Council retains meticulous records of all actions taken by the Council:

- R.8 We strongly recommend that the Clerk & RFO presents each Health and Safety update report, issued by Peninsula, to Council Members for their Scrutiny and Approval, and that Resolution to be recorded by formal Resolution in the Minutes of the meeting at which the report was reviewed.

It is considered Best Practice for every Council to review its Risk Registers at least once annually, at a meeting of the Full Council or relevant committee.

- R.9 We strongly recommend that the Clerk & RFO presents the Council's Health and Safety Handbook to Members for their Scrutiny and Approval, and that Resolution to be recorded by formal Resolution in the Minutes of the meeting at which the report was reviewed.

Outcome - Internal Control Objective '3'

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 reasonable and proportionate funding is 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 the Council's Approved and Published Minutes provides clear evidence that detailed monthly finance reports, and the Budget vs. Actual reports are reviewed, in detail, on a monthly basis;
-  Noted that the Council undertook a robust Budget setting and Precept determination process for the 2026-27 financial year during October, November and December 2025;
-  Noted that the Council's 2026-27 financial year Budget and Precept were formally resolved during the 26th of January 2026 Town Council Meeting as follows:
 - The 2026-27 financial year Budget was Approved in the amount of £602,456.19 was resolved under Minute reference 8i.
 - The 2026-27 financial year Precept was Approved in the amount of £511,447.25, with the shortfall to be made up from the Council's Reserves. This represents an overall increase of 8.57% over the prior year Precept.
-  Noted that as at the 31st of March 2026 the Council held four active earmarked reserves with a total value of £69,096.76;
-  Checked and verified the year-end position as at the 31st of March 2026:

Total Cash at Bank	£
NatWest account 1	75,854.32
NatWest account 2	293,210.51
NatWest account 3	0.00
NatWest account 4	3,473.30
NatWest account 5	0.00
	£372,538.13
Year-end adjustments	
Plus Current Assets	11,911.80
Less Current Liabilities	4,659.85
Total Reserves	£379,790.08
Less Earmarked Reserves	£69,096.76
Less Capital Projects Reserve	£77,170.87
Total Retained General Reserve	£233,522.45

Total expenditure FY2025-26	467,015.15
Avg monthly spend (AMS)	38,917.92

General Reserve ÷ Average monthly spend. 6.004 months

 The level of the Council's Retained General Reserve, expressed as available months expenditure based on the average prior-year monthly expenditure during the 2025-26 financial year sits at approximately 6 months. This sits comfortably at the upper level of the range recommended by the Chartered Institute of Public Finance and Accountancy (CIPFA) which recommends that councils should maintain between three and six months of Retained General Reserve based on the average prior year expenditure.

 Finally in this area of review, we have checked and verified the Clerk & RFO's Variance Report for the 2025-26 financial year and find no matter requiring further explanation or investigation.

Conclusion

There are no matters arising from this area of review warranting formal comment or recommendation.

Outcome - Internal Control Objective '4'

Substantial Assurance

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 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 supplementary income from a relatively limited variety of sources recorded below:

NON PRECEPT INCOME FY2025-26

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 Rugby and Football clubs, occasional Grants and Donations, Tennis Court hire, Recreation Ground Hire, Community events, Bank Interest, s.126 VAT reclaims and other miscellaneous sources.

We note from our Review of Minutes that there is clear evidence of the Council's review of its schedule of Fees and Charges during the Budget Setting and Precept determination process. 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.

Scribe income reports

We have examined the detailed income reports produced by the Scribe cashbooks for the year to the 31st of March 2026 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 checked and verified the cashbooks to ensure that all income has been accurately recorded against appropriate account coding with no matters arising:

FY2025-26 Precept

The Council received the 2025-26 financial year Precept in the amount of £471,064.00.

Rugby & Football Club revenue

The Council received Rugby & Football club income in the amount of £4,322.09.

Bank Interest

The Council received Bank Interest in the amount of £2,576.34.

Occasional Grants & Donations

The Council received Occasional Grants & Donations in the amount of £57,701.30.

Greening

The Council received Greening income in the amount of £3,000.00.

Recreation Ground Hire

The Council received Recreation Ground Hire income in the amount of £600.00

Solar Light Claim

The Council received a Solar Lights Claim in the amount of £14,224.00.

Community Events

The Council received Community Events income in the amount of £2,639.07.

Tennis Court Hire

The Council received Tennis Court Hire income in the amount of £1,632.68.

Miscellaneous

The Council received other miscellaneous income in the amount of £932.95.

s.126 VAT Reclaims

The Council received VAT Reclaims during the 2025-26 financial year in the amount of £58,230.91

We have agreed the total income for the 2025-26 financial year in the amount of £616,932.61.

Conclusion

There are no matters arising from this area of review warranting formal comment or recommendation.

Outcome - Internal Control Objective '5'

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:

Noted that the Council did not operate a Petty Cash system, or use any form of cash float during the 2025-26 financial year from the 01st of April 2025 to the 31st of March 2026.

Conclusion

There are no matters arising from this area of review warranting formal comment or recommendation.

Outcome - Internal Control Objective '6'

Not applicable

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 legislation with regard to the Employee Rights Act 1998 and the requirements of HMRC legislation as regards the deduction and payment of income tax and NI contributions, together with meeting the requirements of the LGPS.

To meet the above objectives, we have: -

-  Noted that the 31st of March 2026 the Council employed three members of staff;
-  Noted that all employees have been issued with contracts of employment detailing their terms and conditions of employment and remuneration;
-  Noted that employees are remunerated against the NJC SCP pay grade scale;
-  Noted that there is no variable pay;
-  Noted that the Council's payroll is outsourced to MHA Baker Tilly;
-  Conducted a 100% review of the council's payroll payments for the period of the 01st of April 2025 to the 31st of March 2026;
-  Checked and verified that the PAYE and NI deductions had been properly paid to HMRC and were properly recorded in the Council's Spreadsheet Cashbook;
-  Noted that the Council did not employ any agency or temporary staff during the 2025-26 financial year to the 31st of March 2026;
-  Noted that the Council is now enrolled in the Nest Pension Scheme and have checked and verified the Employees and Employers contributions have been properly paid,
-  We have reviewed the year-end HMRC PAYE Tools reports: Final Full Payment Submissions (FPS) and Employer Payment Summaries (EPS) and noted that the Clerk & RFO's P60 has been correctly issued; and,
-  We have checked and verified that only direct salary and pensions costs, and corresponding statutory deductions have been recorded in Box 4 'Staff Costs' of the 2025-26 Annual Return Accounting Statements with two matters arising which have now been corrected by the Clerk & RFO.

Conclusion & Recommendation

We noted during our review of the payslips issued for the 2025-26 financial year that expenses payments and the working from home allowances had been paid to employees via the payroll. This is the incorrect treatment of these payments as they do not form part of the salaried costs of the Council: The Joint Panel on Accountability and Governance 2024 (JPAG) and its replacement; the Smaller Authorities Proper Practices Panel 2025 (SAPPP) refers.

Both expenses and working from home allowances are specifically excluded from Payroll costs and **must not** be recorded against Box 4 'Staff Costs' on the Annual Return Accounting Statements.

We have discussed this matter with the Clerk & RFO, who has advised that the previous Clerk & RFO had sought advice concerning the treatment of these expenditures and was incorrectly advised that these should be managed via payroll, and that this practice has continued to today's date.

This has resulted in the Box 4 'Staff Costs' and Box 6 'Total other payments' being incorrectly reported on the Council's Annual Return Accounting Statements.

We have advised the Clerk & RFO that all expenses costs and expenditure in relation to the working from home allowance must be removed from the Box 4 'Staff Costs' and recoded appropriately as Box 6 'Total other payments' costs, we would suggest under new Scribe codes for mileage and WFH allowance.

This will require the Clerk & RFO to conduct another year-end close as this correction will necessarily affect the Accounting Statements for the financial year.

- R.10 The Clerk & RFO must correct the Box 4 Salary costs reported in the 2025-26 financial year Accounting Statements ensuring that both expenses and working from home allowance expenditure is properly recorded under Box 6 Total other costs.
- R.11 Upon completion of the corrections to Box 4 Salary costs and Box 6 Total other costs, the year-end process will need to be completed again in Scribe to ensure that the correct year-end reports and Closing Trial Balance is recorded in Scribe and made available for examination by Audit Wales.

As the Clerk & RFO has agreed to undertake this work in advance of the submission of the Annual Return to Audit Wales we have not recorded a negative assertion against this Internal Control Objective.

Outcome - Internal Control Objective '7'

Adequate Assurance

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 has prepared and maintains a register of its stock of land, buildings, vehicles, furniture and equipment as required by the Smaller Authorities' Proper Practices Panel (SAPPP) Practitioners' Guide.

To meet the above objectives, we have:

Noted that the Council maintains its Fixed Asset Register in a Microsoft Excel spreadsheet which meets the requirements of the SAPPP Practitioners Guide 2025 and its predecessor the JPAG Practitioners Guide 2024.

Without conducting a physical examination of the Council's Assets, we are reliant on the Clerk & RFO's assertion as to the accuracy of information contained on the Register, which declares a Fixed Asset Value of £98,779 (£253,745 *prior-year*) in accordance with in-year acquisitions and disposals.

Conclusion

There are no matters arising from this area of review warranting formal comment or recommendation.

Outcome - Internal Control Objective '8'

Substantial Assurance

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 Clerk & RFO reconciles all the Council's financial accounts on a monthly basis;
-  Checked and verified the Bank Reconciliation on the Council's NatWest Accounts Cashbooks for the period of the 1st of April 2025 to the 31st of March 2026 with no matters arising;
-  Noted that there is clear evidence of monthly reconciliations being undertaken and signed off by the Clerk & RFO; and,
-  Noted that there is clear evidence of Members' scrutiny and Approval of the Council's Cashbook Reconciliation Statements in the Council's Approved and Published Minutes.

Conclusion

There are no matters arising from this area of review warranting formal comment or recommendation.

Outcome - Internal Control Objective '9'

Substantial Assurance

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 & where appropriate debtors and creditors were properly recorded.'

The objective of this area of review is to ensure that accounting statements prepared during the year were prepared on the correct accounting basis (receipts and payments), agreed to the cashbook, supported by an adequate audit trail from underlying records and where appropriate debtors and creditors were properly recorded.'

The Council's accounts are managed in Scribe Accounts cashbooks, the detail of which we consider reflects accurately the full-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 to the 31st of March 2026 with reference to prime documentation:

Working records

-  Cashbooks
-  Reconciliation statements
-  Budgetary reports
-  VAT reclaim reports
-  Earmarked Reserves

Management reports

-  Trial balance
-  Income and expenditure reports
-  Year-end balance sheet
-  Year End Income & Expenditure Account
-  Annual Return Accounting Statements

We have checked and verified the Closing Balance for the 2024-25 financial year, as at the 31st of March 2025 against the Opening Balance for the 2025-26 financial year as at the 1st of April 2025 with no matters arising.

Further we have undertaken a 'line-item' check and verification for all the Council's cashbooks, for the months of April, June, September and December 2025 and March 2026 with reference to the supporting prime documentation and the Council's published Minutes with no matters arising.

Conclusion and recommendation

We note that the Council does not currently hold an Investment Strategy, which informs its reserves management, which is required of all Council's in Wales and England with a turnover in excess of £10,000.00.

- R.12 The Clerk & RFO should draft an Investment Strategy for Scrutiny and onward Approval by Council Members.

Outcome - Internal Control Objective '10'

Substantial Assurance

Internal control objective '11'

'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.

To meet the above objectives, we have:



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

Conclusion

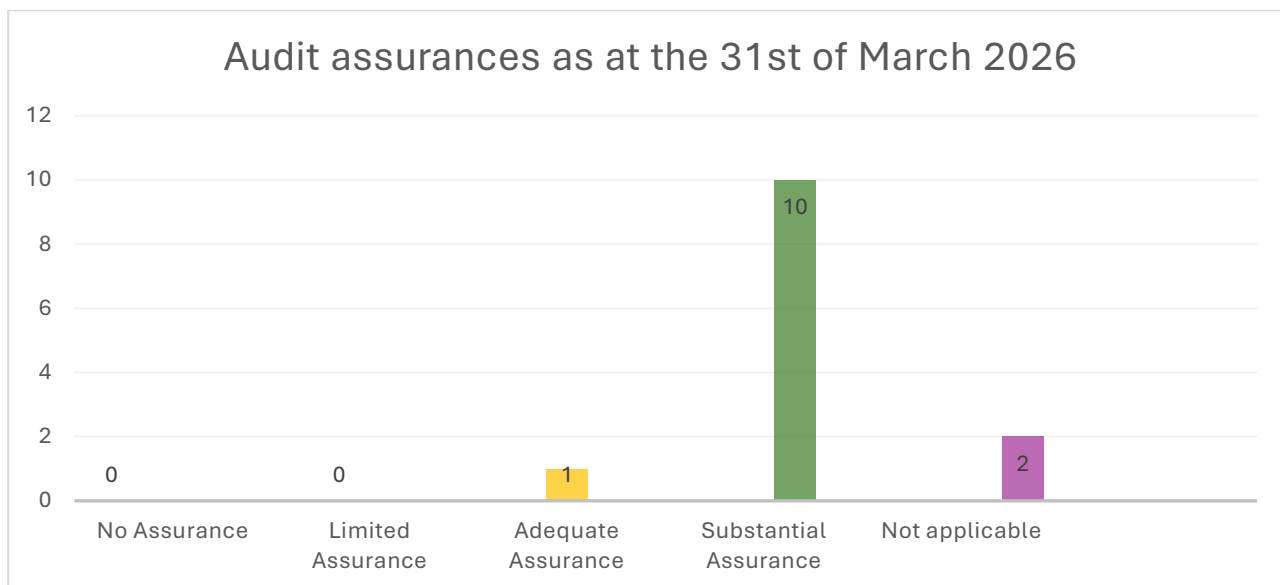
There were no matters arising from this area of review warranting formal comment or recommendation.

Outcome - Internal Control Objective '11'

Not Applicable

8. Audit Assurance Review

During the year-end and interim internal audits for the 2025-26 financial year, we have undertaken 687 separate audit tests, providing eleven separate assurances in the twelve areas of review which correspond to an enhanced review of Corporate Governance and the eleven 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.

Not applicable: The Council does not utilise the process which is audited under this control objective. Therefore, a finding of 'not applicable' will be recorded.

9. FY2025-26 Internal Audit Action Plan

Conclusion & recommendations – Corporate Governance	
The Council's Corporate Governance has seen a marked improvement over the 2025-26 financial year with a marked improvement in the quality of the Minutes of the Council and its Committees. However, there are areas in which Best Practice improvements could be made. R.1 The Town Clerk should ensure that when Awards of Grant Aid are made that the Statutory Power under which the Grant is made is recorded. R.2 The Council's official website is somewhat dated and difficult to navigate, is only semi-compliant with the current WCAG2.2AA Accessibility Standard and does not contain all the necessary information, for example the Council's leisure facilities, playgrounds and parks. We strongly recommend that the current website is significantly upgraded or replaced to ensure that the Council is represented properly to its electorate. R.3 We have noted that the Council has adopted the ICO's model publication scheme and recommend that the Town Clerk & RFO subscribes to the ICO's newsletter to stay apprised of any changes to this. R.4 Noted that the Council has a basic GDPR and Privacy policy. It is our opinion that this is no longer appropriate and that the Town Clerk & RFO should draft a suite of GDPR specific policies which are suitable for the Council's current and ongoing requirements, in particular, in relation to the amendments to the GDPR and Data Protection Act which are enacted on the 19th of June 2026.	Comments
Conclusion & recommendations – ICO 1	
Segregation of duties is a fundamental internal control principle in accounting departments that distributes key tasks and responsibilities among multiple individuals to reduce the risk of fraud and error. This practice ensures that no single employee has complete control over critical financial processes or transactions. For example, the employee who processes payroll should be different from the one who reconciles bank statements, whilst the person who approves payments should be separate from those who initiate them. By requiring multiple individuals to participate in sensitive workflows, this control not only enhances error detection but also serves as a natural deterrent	Comments

against fraudulent activities, as employees are less likely to attempt misconduct when their work is subject to oversight and verification by colleagues. Please note that this is not a criticism of any member of staff – this is accepted best practice. In accounting departments, it's typically recommended that you segregate duties in 3 key areas: authorisation, recordkeeping, and custody of assets. Preventing any single person from having complete control over these three key areas will lead to: • Fewer errors: Separation of duties creates a safety net, catching errors before they become bigger problems. • Fraud prevention: Creating checks and balances makes it much harder for fraud to occur. • Greater accuracy: Separation of duties ensures multiple people are responsible for the accuracy of your financial records. R.5 We strongly recommend that the Town Clerk & RFO develop a formal Segregation of Duties policy, to be subject to scrutiny and Approval by Members, to suit the council's requirements. This should include online payment authorisations being made <u>only</u> by Council Members except in an emergency using Delegated Authority. R.6 The Council's currently adopted Financial Regulations should be revised to reflect the Segregation of Duties policy. R.7 The Town Clerk & RFO should ensure that the ability to authorise any payment from the bank is formally restricted to the Delegated Authority emergency expenditure limit of £5,000.00 confirmation by the Bank that this has been enacted to be retained on the Council's permanent files.	
Conclusion & recommendations – ICO 3	
We have noted the Council's robust approach to its Risk Management and Mitigation duties. However, where a Council is responsible for the management of Children's Playgrounds and recreation facilities it is critical that the Council retains meticulous records of all actions taken by the Council:	Comments

R.8 We strongly recommend that the Clerk & RFO presents each Health and Safety update report, issued by Peninsula, to Council Members for their Scrutiny and Approval, and that Resolution to be recorded by formal Resolution in the Minutes of the meeting at which the report was reviewed. It is considered Best Practice for every Council to review its Risk Registers at least once annually, at a meeting of the Full Council or relevant committee. R.9 We strongly recommend that the Clerk & RFO presents the Council's Health and Safety Handbook to Members for their Scrutiny and Approval, and that Resolution to be recorded by formal Resolution in the Minutes of the meeting at which the report was reviewed.	
Conclusion & recommendations – ICO 7	
We noted during our review of the payslips issued for the 2025-26 financial year that expenses payments and the working from home allowances had been paid to employees via the payroll. This is the incorrect treatment of these payments as they do not form part of the salaried costs of the Council: The Joint Panel on Accountability and Governance 2024 (JPAG) and its replacement; the Smaller Authorities Proper Practices Panel 2025 (SAPPP) refers. Both expenses and working from home allowances are specifically excluded from Payroll costs and must not be recorded against Box 4 'Staff Costs' on the Annual Return Accounting Statements. We have discussed this matter with the Clerk & RFO, who has advised that the previous Clerk & RFO had sought advice concerning the treatment of these expenditures and was incorrectly advised that these should be managed via payroll, and that this practice has continued to today's date. This has resulted in the Box 4 'Staff Costs' and Box 6 'Total other payments' being incorrectly reported on the Council's Annual Return Accounting Statements. We have advised the Clerk & RFO that all expenses costs and expenditure in relation to the working from home allowance must be removed from the Box 4 'Staff Costs' and recoded appropriately as Box 6 'Total other payments' costs, we would	Comments

suggest under new Scribe codes for mileage and WFH allowance. This will require the Clerk & RFO to conduct another year-end close as this correction will necessarily affect the Accounting Statements for the financial year. R.10 The Clerk & RFO must correct the Box 4 Salary costs reported in the 2025-26 financial year Accounting Statements ensuring that both expenses and working from home allowance expenditure is properly recorded under Box 6 Total other costs. R.11 Upon completion of the corrections to Box 4 Salary costs and Box 6 Total other costs, the year-end process will need to be completed again in Scribe to ensure that the correct year-end reports and Closing Trial Balance is recorded in Scribe and made available for examination by Audit Wales. <i>As the Clerk & RFO has agreed to undertake this work in advance of the submission of the Annual Return to Audit Wales we have not recorded a negative assertion against this Internal Control Objective.</i>	
Conclusion & recommendations – ICO 7	
We note that the Council does not currently hold an Investment Strategy, which informs its reserves management, which is required of all Council's in Wales and England with a turnover in excess of £10,000.00. R.12 The Clerk & RFO should draft an Investment Strategy for Scrutiny and onward Approval by Council Members.	Comments

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Confirmation of independence and Quality Assurance

During the 2025-26 financial year to the 31st of March 2026, 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 Ammanford Town Council.

The year-end internal audit was conducted remotely on the 27th of May 2026 with supplemental work being undertaken in June at our Wiltshire offices. The work was carried out in accordance with Ammanford Town Council's needs and planned coverage as reviewed with the Clerk & RFO: Ms Jayne Grazette.

Based on the findings in the areas reviewed, the internal audit conclusions are summarised in the main body of this report, which correspond to an enhance review of Corporate Governance and the Internal Control Objectives table contained within the FY2025-26 Annual Return's Annual Independent Internal Audit Report.

10. Internal Audit Performance

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

Annual performance indicators			
Aspect of service	Interim 2025-26 (Actual %)		YE 2025-26 (Actual %)
Internal Audit plan delivered	0		100
Positive customer responses to quality appraisal questionnaire			TBC
Compliant with the Public Sector Internal Audit Standards	N/A		Y

11. Acknowledgements & Conclusion

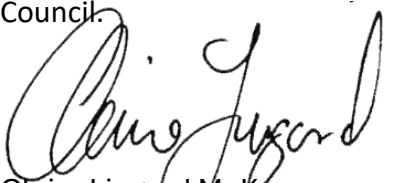
We would like to take this opportunity to thank the Clerk & RFO of Ammanford Town Council, for her assistance in performing the interim internal audit for the 2025-26 financial year which was conducted remotely. We are grateful for the content and quality of the documentation and the responses that have been supplied to our supplementary questions.

We have made a total of twelve Best Practice and Formal recommendations which are contained within the main body of this report and in the FY2025-26 Internal Audit Action Plan and ask the Clerk & RFO and Members to give these their full consideration.

We have noted that the Council is well served by the Clerk & RFO with the standard of both the Council's corporate governance and financial administration being very high with the Council's Internal Controls working in practice.

We have signed off the Annual Return; Annual Internal Audit Report recording positive assertions against each area of Internal control and have updated the Council's Internal Audit Portal with the results of this audit.

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



Claire Lingard McKay
Practice Manager
WGW online internal audit practice

NOTE TO REPORT

We confirm that all confidential & sensitive information, supplied for the purposes of this audit including, Personnel Minutes, Payroll and Employment data have been permanently deleted from WGW Online's servers and any printouts made for the purposes of this audit have been destroyed in accordance with the Company's data and document retention policies and with the prevailing General Data Protection Legislation as amended from time to time.