SJC Chartered Accountants

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PTC
22 JUL 2025
Received

Our ref: 10597/NSJ/JR

Ms Beata Shaw
Senior Finance and Personnel Records Officer
Prestatyn Town Council
7 Nant Hall Road,
Prestatyn.
LL19 9LR.

18th July 2025

Dear Ms Shaw

Internal Audit Report
Year Ended 31st March 2025

I return to you the original of the annual return for the year 31st March 2025 duly signed by me as the internal auditor.

I also enclose my internal audit programme which outlines the work undertaken as part of the internal audit. This needs to be sent to the external auditors together with the annual return.

There are no matters to which I consider that the attention of the Council should be drawn.

I would like to thank you and your staff for the assistance that you gave to us during the conduct of our audit.

Yours sincerely,

Enc.

INTERNAL AUDIT PROGRAMME

Local Council : PRESTATYN TOWN COUNCIL

Local Council Ref. : 10597 **County :** DENBIGHSHIRE

Annual Return Date : 2025

OVERVIEW	Yes or No ✓ / x	WP Ref.	Details
Were there any audit qualifications or notes on previous years Annual Return?	Not known	A	2023 and 2024 External Audit have not been completed as at 15.5.25 so unable to establish if any comments made by External Auditor. Agreed opening figures to unaudited copy of 2024 Return on file.
Action taken on qualifications/notes if applicable and recorded in the Minutes.	Not known Yes	 B	External audit not yet completed. Internal Audit review noted in F & M Min.79 (9.10.24).
Has the Annual Return been completed correctly.	YES Section 2	C	Accounting Statement has been completed correctly after amendments. Other sections not provided for audit. On Agenda for Council meeting 11.6.25.
Code of Conduct has been adopted. A Register of Members Interests is maintained.	YES	D E	Being updated in 2025/26. Declared Interests are noted in the Minutes. e.g. C & D 140 & F C 52.
The Council has formally adopted Standing Orders and Financial Regulations	YES	F	AGM min. 14 (15.5.24) These are being updated in 2025/26.
Investment Strategy has been drawn up and approved.	YES	G G.1	AGM min.14 (15.5.24). This is being updated in 2025/26.

STATEMENT 1	Yes or No ✓ / x	WP Ref:	Details
Appropriate books of account have been properly kept throughout the year.			
- Is the cashbook maintained and up to date?	YES	1	The accounts are computerised and information is input on a regular basis.
- Is the cashbook arithmetically correct?	YES	1.1	Amendments were required to the accounts provided for Internal Audit. 1. Two unpaid Sales invoices were not included in the accounts. 2. Income relating to the Festive Lights had been entered against the expenditure code but should have been entered against an income code. 3. Accrual for grant not accounted for.
- Is the cashbook regularly balanced?	YES		A month end checklist is completed and signed.

STATEMENT 2	Yes or No ✓ / x	WP Ref:	Details
The Council's financial regulations have been met.			
- A Responsible Officer has been appointed.	YES	2.1	The Locum Clerk is the R.F.O. In the Clerks absence the Council appoint a temporary R.F.O.
- Items above the de minimis amount have been competitively purchased	YES	2.2	A sample check was carried out of tenders/contracts approved in the Minutes.

Payments were supported by invoices.	YES	2.3	A random sample check on payments recorded in the daybook found all were supported by invoices and where appropriate, purchase orders.
		2.3a	On review of Minutes 66/142 (12.2.25) it was discovered that a grant of £900 had been awarded but not yet paid. This was added to Accruals as it had not been included in the Accounts.
Section 137 Expenditure separately recorded and within statutory limits.	YES	2.4	A review of the grants awarded established that none were required to be noted under Section 137.
Payments were approved in the minutes.	YES	2.5	BACS payments are approved by RFO and countersigned by at least one Member. Payments are approved by the Finance & Management Committee and reports are provided to Full Council who approved the Minutes of the F & M Committee. F & M 47-50 (10.7.24).
		2.5a	AGM min.17 (5.5.24)
VAT was properly accounted for and reclaimed.	YES		VAT Returns are produced from the computerised accounts system. Verified that VAT received agreed to the VAT Returns.

STATEMENT 3	Yes or No ✓ / x	WP Ref.	Details
The Council assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.			
- Annual Risk Assessment reviewed and Policy adopted by Council	YES	3.1	AGM min.14 (15.5.24)
- Insurance Policy has adequate cover.	NO	3.2 8	Seabank Drive Community Centre is noted in the Asset Register at a value of £437,406 but the insurance value is £198,538. It is recommended that the Centre is revalued and the Fixed Asset Register and Insurance Policy amended appropriately.
- Internal Controls documented and regularly reviewed.	YES		Internal Controls included in Financial Regulations.

STATEMENT 4	Yes or No ✓ / x	WP Ref.	Details
The annual precept requirement resulted from an adequate budgetary process.	YES	4	Financial Estimates are drawn up and options discussed and approved by Council. Precept form approved.

Progress against budget was regularly monitored and reported to Council. - Are there any significant unexplained variances from budget	YES	4.3 4.4	F & M min.146 (12.2.25) Differences explained during audit.
Reserves are appropriate.	YES	4.5 4.5a 4.5b 4.5d	Earmarked reserves are specific funds that have not all been spent at the year end. The year end cash balance is seen as the general reserve. This is more than adequate for 12 months expenditure. FC min.153 (15.2.25). 2025/26 precept approval £634,875. Increased in anticipation of repairs/developments/elections. F & M min.150 (12.2.25). 2025/26 Financial Estimates. Increased staffing costs due to personnel issue. These will be shown in the accounts as a contingent liability.

STATEMENT 5	Yes or No ✓ / x	WP Ref.	Details
Expected income was fully received - The Precept recorded in the cashbook agrees to the County Council notification.	YES	5	Verified precept submitted to Denbighshire CC was received into the Council bank account.
Income was based on correct prices	YES		The grant file was reviewed.
Income was promptly banked	YES	5.1	The majority of income is paid directly into the Council bank account.
VAT on income was appropriately accounted for.	N/A		VAT is not charged on income.

STATEMENT 6	Yes or No ✓ / x	WP Ref.	Details
Petty cash payments were properly supported by receipts, expenditure was approved and VAT appropriately accounted for.	YES	6	Cash receipts are supported by receipts., VAT is reclaimed.
Security Controls are adequate and effective and reimbursement carried out regularly.	YES	6.1	Petty cash procedures manual is in place. Regular reconciliations are approved and signed.

STATEMENT 7	Yes or No ✓ / x	WP Ref.	Details
- Salaries to employees and allowances to members were paid in accordance with council approvals.	YES	7	F C min. 92 (13.11.24). Local Government ational recommended rates are approved.
- PAYE/ NIC has been properly operated by the Council as an employer.	YES		Payroll is administered by The Pay Role Ltd. Reports are provided and approved.
- Are other payments to the Clerk reasonable and approved by Council	YES		Staff overtime approved by Clerk. Monthly payroll approved by Member.

STATEMENT 8	Yes or No ✓ / x	WP Ref.	Details
Asset and investment registers were complete and accurate, properly maintained and up to date.	YES NO	8 3.2	Some adjustments during the year for disposals and acquisitions. See previous note re Seabank Drive Community Centre valuation.

STATEMENT 9	Yes or No ✓ / x	WP Ref.	Details
Is there a Bank Reconciliation for each account. Are they carried out regularly on receipt of statements. Are there any unexplained balancing entries in any reconciliation.	YES YES N/A	9.1	Bank reconciliations are carried out monthly. The Daybook, bank statements and printed computer reconciliations are all signed to show they have been reviewed and are correct.

STATEMENT 10	Yes or No ✓ / x	WP Ref.	Details
Year end accounts were prepared on the correct basis.	YES	10	The accounts are prepared on an Income and Expenditure basis.
The accounts agree to the cashbook.	YES	10.2	Amendments needed to the accounts as income for festive lights entered on expenditure code instead of income code. Accounts were adjusted appropriately.
The accounts were supported by an adequate audit trail from underlying records.	YES	2.3	Sample of payments recorded in the Daybook were traced back to invoices/Purchase Orders.

Where appropriate, debtors and creditors were properly recorded.	NO	10.1	2 unpaid sales invoices dated in 2024/25 were not included in the accounts. The accounts were amended to include them in Debtors. A £900 accrual was found that had not been included. The accounts were amended as appropriate.

STATEMENT 11	Yes or No ✓/ x	WP Ref.	Details
The council has met its responsibilities as a Trustee	N/A		

RISK AREAS IDENTIFIED AND NOTES REQUIRED TO ANNUAL RETURN

Based on the above Internal Audit work I conclude that the Annual Report may be signed off drawing the following matters to the attention of the Council:

It is recommended that the Seabank Drive (Jubilee) Community Centre is revalued as currently the value noted in the Fixed Asset Register is much higher than the sum insured with Zurich.

As the Sales system is manual and not part of the computerised accounts it is recommended that a system is put in place to ensure a regular review of sales invoices to ensure prompt payment and inclusion as debtors at the year end if unpaid.

Signed .... Date 28 / 5 / 2025

Annual Return for the Year Ended 31 March 2025

Accounting statement 2024-25 for:

Name of body: Prestatyn Town Council

	Year ending		Notes and guidance
	31 March 2024 (£)	31 March 2025 (£)	**Please round all figures to nearest £. Do not leave any boxes blank and report £0 or nil balances. All figures must agree to the underlying financial records for the relevant year.**
Statement of income and expenditure/receipts and payments			
1. Balances brought forward	**432,234**	**383,892**	Total balances and reserves at the beginning of the year as recorded in the financial records. Must agree to line 7 of the previous year.
2. (+) Income from local taxation/levy	**497,299**	**531,712**	Total amount of income received/receivable in the year from local taxation (precept) or levy/contribution from principal bodies.
3. (+) Total other receipts	**25,123**	**22,632**	Total income or receipts recorded in the cashbook minus amounts included in line 2. Includes support, discretionary and revenue grants.
4. (-) Staff costs	**241,631**	**215,535**	Total expenditure or payments made to and on behalf of all employees. Include salaries and wages, taxable allowances, PAYE and NI (employees and employers), pension contributions and termination costs. Exclude reimbursement of out-of-pocket expenses.
5. (-) Loan interest/capital repayments	**66,493**	**66,493**	Total expenditure or payments of capital and interest made during the year on external borrowing (if any).
6. (-) Total other payments	**262,640**	**292,859**	Total expenditure or payments as recorded in the cashbook minus staff costs (line 4) and loan interest/capital repayments (line 5).
7. (=) Balances carried forward	**383,892**	**363,348**	Total balances and reserves at the end of the year. Must equal (1+2+3) – (4+5+6).
Statement of balances0			
8. (+) Debtors	**15,122**	**12,903**	**Income and expenditure accounts only:** Enter the value of debts owed to the body at the year-end.
9. (+) Total cash and investments	**374,880**	**360,214**	**All accounts:** The sum of all current and deposit bank accounts, cash holdings and investments held at 31 March. This must agree with the reconciled cashbook balance as per the bank reconciliation.
10. (-) Creditors	**6,110**	**9,769**	**Income and expenditure accounts only:** Enter the value of monies owed by the body (except borrowing) at the year-end.
11. (=) Balances carried forward	**383,892**	**363,348**	**Total balances should equal line 7 above:** Enter the total of (8+9-10).
12. Total fixed assets and long-term assets	**1,667,155**	**1,666,578**	The asset and investment register value of all fixed assets and any other long-term assets held as at 31 March.
13. Total borrowing	**373,854**	**332,316**	The outstanding capital balance as at 31 March of all loans from third parties (including PWLB).

Annual Governance Statement

We acknowledge as the members of the Council, our responsibility for ensuring that there is a sound system of internal control, including the preparation of the accounting statements. We confirm, to the best of our knowledge and belief, with respect to the accounting statements for the year ended 31 March 2025, that:

	Agreed?		'YES' means that the Council:	Toolkit
	Yes	No*		
1. In consultation with the community, we have developed a vision and purpose for the Council and used this vision to inform the Council's plans, budget and activities.	✓		Has consulted with the community and focussed its activities to meet the community's needs	A, C
2. We have adopted a Code of Conduct for members and officers and implemented an appropriate training plan for members to ensure all councillors understand their role and responsibilities.	✓		Ensures that councillors understand and are equipped to deliver their roles and responsibilities.	B
3. We have ensured that we electronically publish the information the Council is required to publish by law, on its website at [insert name of website].	✓		Is transparent about its activities and provides the public with all information required by law	A, C, D, E
4. We have taken all reasonable steps to ensure that the Council complies with relevant laws and regulations when exercising its functions, including employment of staff and payment of allowances to members.	✓		Has only done things that it has the legal power to do and has conformed to codes of practice and standards in the way it does so	
5. We have adopted standing orders, financial regulations and terms of reference and ensure that these are followed when conducting business including functions delegated to committees.	✓		Has adopted rules and procedures to govern how the Council conducts its business including procurement of goods and services.	B, E
6. We have put in place arrangements for: • Effective financial management including the setting and monitoring of the Council's budget • Maintenance and security of accurate and up to date accounting and other financial records • Identifying potential liabilities, commitments, events and transactions that may have a financial impact on the Council.	✓		Calculated its budget requirement in accordance with the law and properly monitors its financial position throughout the year	D
7. We have maintained an adequate system of internal control and management of risk, including: • measures designed to prevent and detect fraud and corruption including clearly documented procedures for authorising and making payments • assessment and management of risks facing the Council • an adequate and effective system of internal audit and reviewed the effectiveness of these arrangements.	✓		Made proper arrangements and accepted responsibility for safeguarding the public money and resources in its charge including arranging for a competent person, independent of the financial controls and procedures, to give an objective view on whether these meet the needs of the body.	D, E
8. We have taken appropriate action on all matters raised in previous reports from internal and external audit.	✓		Considered and taken appropriate action to address weaknesses /issues brought to its attention by internal and external auditors.	D, E
9. We have provided proper opportunity for the exercise of electors' rights in accordance with the requirements of the Public Audit (Wales) Act 2004 and the Accounts and Audit (Wales) Regulations 2014.	✓		Has given all persons interested the opportunity to inspect the body's accounts as set out in the notice of audit issued by the Auditor General.	E
10. General power of Competence – The Council has resolved to adopt the General Power of Competence set out in Local Government and Elections (Wales) Act 2021			Meets the eligibility criteria to exercise the general Power of Competence	E

* Please include an explanation for any 'No' answers

Additional disclosure notes

Include here any additional disclosures the Council considers necessary to aid the reader's understanding of the accounting statement and/or the annual governance statement

The following information is provided to assist the reader to understand the accounting statement and/or the Annual Governance Statement
1. Expenditure under S137 Local Government Act 1972 Section 137(1) of the 1972 Act permits the Council to spend on activities for which it has no other specific powers if the Council considers that the expenditure is in the interests of, and will bring direct benefit to, the area or any part of it, or all or some of its inhabitants, providing that the benefit is commensurate with the expenditure. Section 137(3) also permits the Council to incur expenditure for certain charitable and other purposes. The maximum expenditure that can be incurred under both section 137(1) and (3) for the financial year 2024-25 was £10.81 per elector. In 2024-25, the Council made payments totalling £______3,500________ under section 137. These payments are included within 'Other payments' in the Accounting Statement.
2.

Trust Funds

	Yes	No	N/A	
Trust funds – The Council acts as sole trustee for and is responsible for managing trust fund(s)/assets. We exclude transactions related to these trusts from the Accounting Statement. In our capacity as trustee, we have discharged our responsibility in relation to the accountability for the fund(s) including financial reporting and, if required, independent examination or audit.				Has met all of its responsibilities where it is a sole managing trustee of a local trust or trusts.

Council approval and certification

The Council is responsible for the preparation of the accounting statements and the annual governance statement in accordance with the requirements of the Public Audit (Wales) Act 2004 (the Act) and the Accounts and Audit (Wales) Regulations 2014.

Certification by the RFO I certify that the accounting statements contained in this Annual Return present fairly the financial position of the Council, and its income and expenditure, or properly present receipts and payments, as the case may be, for the year ended 31 March 2025.	**Approval by the Council** I confirm that these accounting statements and Annual Governance Statement were approved by the Council under minute reference: **Minute ref:** Full Council minute 25/6 11/06/2025
RFO signature: Nigel Acott	**Chair signature:** C. A. Holliday
Name: Nigel Acott	**Name:** CAROL ANNE HOLLIDAY
Date: 16th July 2025	**Date:** 8th July, 2025

* Please include an explanation for any 'No' answers

Annual internal audit report to:

Name of body: PRESTATYN TOWN COUNCIL

The Council's internal audit, acting independently and on the basis of an assessment of risk, has included carrying out a selective assessment of compliance with relevant procedures and controls expected to be in operation during the financial year ending 31 March 2025.

The internal audit has been carried out in accordance with the Council's needs and planned coverage. On the basis of the findings in the areas examined, the internal audit conclusions are summarised in this table. Set out below are the objectives of internal control and the internal audit conclusions on whether, in all significant respects, the following control objectives were being achieved throughout the financial year to a standard adequate to meet the needs of the Council.

	Agreed?				Outline of work undertaken as part of the internal audit (NB not required if detailed internal audit report presented to body)
	Yes	No*	N/A	Not covered**	
1. Appropriate books of account have been properly kept throughout the year.	✓				
2. Financial regulations have been met, payments were supported by invoices, expenditure was approved and VAT was appropriately accounted for.	✓				
3. The body assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	✓				
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.	✓				
5. Expected income was fully received, based on correct prices, properly recorded and promptly banked, and VAT was appropriately accounted for.	✓				
6. Petty cash payments were properly supported by receipts, expenditure was approved and VAT appropriately accounted for.			✓		
7. Salaries to employees and allowances to members were paid in accordance with contracts/ minuted approvals, and PAYE and NI requirements were properly applied.	✓				
8. Asset and investment registers were complete, accurate, and properly maintained.	✓				

* Please include an explanation for any 'No' answers

	Agreed?				Outline of work undertaken as part of the internal audit (NB not required if detailed internal audit report presented to body)
	Yes	No*	N/A	Not covered**	
9. Periodic and year-end bank account reconciliations were properly carried out.	/				
10. Accounting statements prepared during the year were prepared on the correct accounting basis (receipts and payments/income and expenditure), agreed with the cashbook, were supported by an adequate audit trail from underlying records, and where appropriate, debtors and creditors were properly recorded.	/				
11. Trust funds (including charitable trusts). The Council has met its responsibilities as a trustee.			/		

For any risk areas identified by the Council (list any other risk areas below or on separate sheets if needed) adequate controls existed:

	Agreed?				Outline of work undertaken as part of the internal audit (NB not required if detailed internal audit report presented to body)
	Yes	No*	N/A	Not covered**	
12.					
13.					
14.					

* If the response is 'no', please state the implications and action being taken to address any weakness in control identified (add separate sheets if needed).

** If the response is 'not covered', please state when the most recent internal audit work was done in this area and when it is next planned, or if coverage is not required, internal audit must explain why not.

[~~My detailed findings and recommendations which~~ I draw to the attention of the Council are included in my detailed report to the Council dated ____________] * Delete if no report prepared.

Internal audit confirmation

I/we confirm that as the Council's internal auditor, I/we have not been involved in a management or administrative role within the body (including preparation of the accounts) or as a member of the body during the financial years 2024-25 and 2025-26. I also confirm that there are no conflicts of interest surrounding my appointment.

Name of person who carried out the internal audit: SJC, Chartered Accountants

Signature of person who carried out the internal audit: SJC, Chartered Accountant

Date: 18 July 2025

* Please include an explanation for any 'No' answers