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Llanddewi Brefi Community Council - Auditor General for Wales' Audit Certificate and report

The Auditor General for Wales issued Llanddewi Brefi Community Council a qualified audit report. Details of the matters which have led to the qualification are given below:

Notice of Appointment of Date for the Exercise of Electors' Rights

The Council has failed to publish the Notice of Appointment of Date for the Exercise of Electors' Rights electronically.

In future years, the Council should ensure the Notice of Appointment of Date for the Exercise of Electors' Rights is published electronically in accordance with the Local Government (Democracy) (Wales) Act 2013, Section 56.

Minutes of Meetings Held 2019-20

The Local Government (Democracy) (Wales) Act 2013 requires the Council to publish minutes of its meetings electronically.

The Council has failed to publish all minutes for the period from April 2019 to March 2020. The Council's assertion that it complies with relevant laws and regulations is incorrect. Therefore, the correct response to assertion 2 on the Annual Governance Statement (Part 2) should be "No".

Additionally, during our review we identified some other matters that we wish to draw to the Council's attention which do not affect our audit opinion but should be addressed by the Council.

Internal Auditor Engagement Letter

We note that the Council has received an engagement letter from the Internal Auditor as a response to the recommendation within our 2017/18 audit report. However, the engagement letter does not outline the responsibilities of the internal auditor and state the independence of the internal auditor. In future years, we recommend the Council receive an engagement letter which states the responsibilities of the Internal Auditor as outlined within the Governance and Accountability for Local Councils in Wales – A Practitioners' Guide (2011), paragraph 168.

Internal Audit Report, Box 11 – Trust funds

Box 11 on the internal audit report, trust funds disclosure note, was answered 'Yes' for 2019/20 on the Annual Return. The Council has confirmed that it does not act as a sole

trustee nor is it responsible for managing trust funds or assets and so this box should read 'N/A'.

Allocation of Staff Costs

We note that some expense payments to the clerk and payments to One Voice Wales and Zurich insurance have been included in Box 4 of the Annual Return.

Please note that staff costs should only comprise payments made in relation to the employment of staff, including employment expenses which are benefits (e.g. mileage, travel etc) but not items of reimbursement of postage, stationery or other outlays on behalf of the Council.

In future the Council should ensure that staff costs are correctly stated using the above criteria.

The Council should amend the figures for 2019/20 as follows:

- Box 4: £1,997
- Box 6: £21,511

The Council should restate the 2020 figures on next year's Annual Return and write "restated" beneath the £ sign on the 2020 column.

Low level of reserves

We note that the Council holds a low level of general reserves, approximately 11% of the annual expenditure for 2019/20.

The Council should consider the level of general reserves required and consider taking steps to increase the level of reserves in future years if it considers it necessary.

Previous internal and external audit reports

We note that the Council did not acknowledge the 2017/18 external audit outcome as qualified in its minutes. The Council should minute the discussion of all internal and external audit reports and note the outcome of each audit report. If there are no issues to discuss it is still good practice to note this in the minutes.

Completion of Annual Return

We note that the Internal Auditor has not completed the outline of work undertaken section of the Annual Return and not provided the Council with a formal written report of its findings. The Council needs to assure itself that that sufficient work has been undertaken for them to provide a positive response to Assertion 6 on the Annual Governance Statement. The Council should ensure that the Internal Auditor either fully completes the Annual Return or provides a detailed annual report going forward.

Yours sincerely,

Grant Thornton UK LLP

For and on behalf of the Auditor General for Wales

Date: 16 December 2020

Ref: WAL092