

LLANIDLOES TOWN COUNCIL

AUDIT REPORT FOR 2021/22 – ACTION PLAN FOR COUNCIL MEETING ON 22 APRIL 2024

The audit report for 2021/22 was received back from Audit Wales on 12 March 2024 with a **qualified** opinion. The report was reviewed by the Council Finance Panel on 8 April 2024 and the following action plan was agreed:

BASIS FOR QUALIFICATION

ACCOUNTING STATEMENT

1. *'The Council's accounting records do not reconcile to the annual return. We have not received an adequate response to explain the variances between the cash book and the annual return. Additionally, we note that the Council's cash book is arithmetically inaccurate regarding vat totals'.

Our investigation reveals that there were unrepresented cheques which were not accounted for in the reconciliation. These have been attended to in the 2023/24 year. VAT returns were being completed against the bank statements rather than invoices with figures relayed to an accountancy firm to submit the quarterly return.

ACTION: In 2023 the Council purchased an accountancy package from Scribe and bank reconciliations are now completed monthly with vat returns submitted quarterly through the package. Previous errors have been corrected.

2. *'Appropriate accounting records have not been provided for income totalling of £8,664.17'.

ACTION: Details of a breakdown of this income was provided in email to the auditor but no formal sales invoices were created. The Scribe accountancy package now in place has remedied this issue.

3. *'The Council's staff costs have not been paid in accordance with the underlying contracts of employment'.

The Clerk has been paid above their contractual maximum scale point specified in their contract.

Pay Awards provided to staff have not been in accordance with their entitled NJC rates.

We have been unable to sight any approval of pay awards and amendments to contracts.

Payments have been made to the Clerk exceeding their payslip totalling £287.80.

The Council's staff costs have not been paid in accordance with the underlying contracts of employment.

ACTION: All pay awards have been minuted and approved by Council. New staff contracts have now been agreed and signed. Pay awards are now communicated formally to staff. The Clerk has repaid the £287.80 which arose due to salary being paid via bank standing order without amendments when salary amounts changed due to Tax, NI, Pensions. There was a view that the adjustment would occur naturally during the following year but we have calculated that a reimbursement to the Clerk for 22/23 and 23/24 will amount to c£95. We await the 22/23 audit report to confirm.

4. 'It has not been possible to evidence the validity of the payment of £4,137.52 to Great Oak Café'.

ACTION: An email response was provided confirming this payment was a covid support grant claimed by the Town Council on behalf of the café. It was part of a larger sum where a further amount was obtained on behalf of another café.

ANNUAL GOVERNANCE STATEMENT

'In my opinion the Annual Governance Statement is NOT consistent with the Council's arrangements in the year'

ACTION: Assertions 1, 2, 3 & 8 have all been addressed in the year 23/24 with updated standing orders, financial regulations and motions to confirm arrangements with variable direct debits, standing orders and bacs payments approved. Online banking is now used to monitor the bank position and make payments. The 2022/23 and 2023/24 budgets addressed the issue of reserve levels and these are now reducing to acceptable levels.

ARRANGEMENTS TO SECURE ECONOMY, EFFICIENCY AND EFFECTIVENESS IN ITS USE OF RESOURCES

'The Council has failed to comply with its own Financial Regulations in relation to the letting of contracts in the year'.

ACTION: Financial Regulations were updated and adopted in 2023/24 with a review of letting contracts undertaken. All tenants now have formal leases or licences to occupy. A booking system for letting is now in place that ensures invoices are issued and paid in accordance with terms of business.

TRANSPARENCY

'Recommended that the Council ensures that meeting minutes, supporting papers and decisions are published. A register of Members Interests should be held on the Council's website. Full copies of the prior year annual return including accounting statement, Annual Governance Statement and audit opinion should be published'.

ACTION: this was addressed in 2022/23 year and is now standard practice.

APPROVAL OF SETTINGS FEES AND CHARGES

'The Council has not reviewed its fees and charges in the 2021/22 financial year. The Council should formally confirm on an annual basis all fees and charges set by the Council'.

ACTION: A review was carried out in 22/23 and 23/24 and formally confirmed.

This action plan will be reviewed and updated upon return of the 2022/23 audit report, expected in the near future.

David Powell

Town Clerk

10 April 2024.