

Auditor General's report and audit opinion

I certify that I have completed the audit of the Annual Return for the year ended 31 March 2022 of **Llanidloes Town Council**. My audit has been conducted on behalf of the Auditor General for Wales and in accordance with the requirements of the Public Audit (Wales) Act 2004 (the 2004 Act) and guidance issued by the Auditor General for Wales.

Audit opinion: Qualified

Except for the matters reported below in my Basis for Qualification, on the basis of my audit, in my opinion no matters have come to my attention to give cause for concern that, in any material respect, the information reported in this Annual Return:

- has not been prepared in accordance with proper practices;
- that relevant legislative and regulatory requirements have not been met;
- is not consistent with the Council's governance arrangements; and
- that the Council does not have proper arrangements in place to secure economy, efficiency and effectiveness in its use of resources.

Basis for Qualification

Accounting statement

I am unable to conclude whether or not the Accounting Statement properly present the Council's receipts and payments and financial position:

- 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 cashbook and the annual return. Additionally, we note the Council's cashbook is arithmetically inaccurate regarding VAT totals.
- Appropriate accounting records have not been provided for income totalling of £8,664.17 .
- 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 within 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.

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

Annual Governance Statement

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

- Assertion 1 – effective financial management. The Council has not provided accurate VAT returns and does not keep an accurate record of VAT within its cashbook. We recommend that the Council complete VAT returns and keep up to date with the relevant VAT guidance issued by HMRC and One Voice Wales. ✓
- Assertion 2 – adequate system of internal control. The Council's financial regulations have not been updated to reflect new methods of making payments by Variable Direct Debit and Debit Cards. ✓
- Assertion 3 – noncompliance with laws, regulations and codes of practice. The Council has not provided evidence that a budget has been set in accordance with the Local Government Finance Act (1992) and that the precept has been set in line with the budget. The Act requires the Council to take into account its level of reserves when setting its budget requirement. We recommend that the Council sets a budget in accordance with the relevant regulations and codes of practice. ✓
- Assertion 8 – response to audit recommendations. The Council's internal auditor has raised a number of issues for the Council to respond to. It is recommended that the Council implements all recommendations raised by internal and external audit. ✓

Arrangements to secure economy, efficiency and effectiveness in its use of resources

In my opinion, the Council does not have proper arrangements in place to secure value for money:

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

Other matters arising and recommendations

I draw the Council's attention to the following matters and recommendations which do not affect my audit opinion but should be addressed by the body.

Transparency

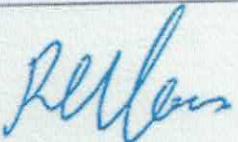
The Council should ensure that meeting minutes, supporting papers and decisions are published. The Council should ensure that they also publish the register of Members' interests on the Council's website. The Council should ensure that they publish full copies of its prior year annual return including the accounting statement, AGS and the audit opinion. ✓

We recommend that the Council publishes all relevant information relating to Council business on its website in the interest of being open and transparent.

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. ✓

There are no further matters I wish to draw to the Council's attention.

 Richard Harries, Director, Audit Wales For and on behalf of the Auditor General for Wales	Date: 12/03/2024
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