

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 2023 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 of Qualification

Accounting Statement

I am unable to conclude whether or not the Accounting Statement properly/fairly presents the Council's receipts and payments/income and expenditure and financial position:

- The Council's explanation for variances between the 2021-22 and 2022-23 accounting statements is inadequate
- The Council states that it purchased playground equipment in 2022-23 but the value of its fixed assets is unchanged from 2021-22

- flow added
in 23/24
returns to
correct

Annual Governance Statement

In my opinion, the Annual Governance Statement is not consistent with the Council's internal controls and governance arrangements for the year:

- Assertion 1: The Council did not approve the accounts in accordance with the requirements of the Accounts and Audit (Wales) Regulations 2014
 - The Regulations required the RFO and Council to certify the accounts by 30 June 2023. This certification was not made until September 2023.
- Assertion 2: The Council did not maintain an adequate system of internal control during the year and the response is inconsistent with the conclusions reported by the Internal Auditor.

not returned
from internal
auditor until
7/23.

- Assertion 3: The Council does not publish on its website, the information it is required to publish electronically by the Local Government (Democracy) (Wales) Act 2013
- Assertion 3: The Council did not calculate its budget requirement in accordance with the Local Government Finance Act 1992
- Assertion 3: The Council did not obtain written notifications from members who did not wish to claim their mandated allowances

Other matters 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 Council.

Internal audit report

The internal audit report is an important source of evidence for the Council to complete its Annual Governance Statement (AGS). The internal auditor has identified several issues that should have been considered by the Council when completing the AGS

We recommend that the Council takes the internal audit report into account when preparing and approving the Annual Governance Statement.

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: 05/06/2024
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Annual internal audit report to:

Name of body:

Llariolles Town Council

The Council/Board/Committee'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 2023.

The internal audit has been carried out in accordance with the Council/Board/Committee'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/Board/Committee.

	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.		✓			} see issues 3.) and 6.) in year end internal audit report, and issue 4.) in interim internal audit report.
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.		✓			} See Issue 5.) in year end internal audit report and issue 2.) in interim internal audit report.
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 minuted approvals, and PAYE and NI requirements were properly applied.	✓				} Subject to: issues 6.) and 7.) in year end internal audit report.
8. Asset and investment registers were complete, accurate, and properly maintained.	✓				

	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.	✓				except for: issue 1.) in y/e internal audit report
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.		✓			see issues 2.), 3.), 4.), and 8.) in year end internal audit report
11. Trust funds (including charitable trusts). The Council/Board/Committee has met its responsibilities as a trustee.			✓		

For any risk areas identified by the Council/Board/Committee (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/Board/Committee are included in my detailed report to the Council/Board/Committee dated 26/07/2023.] * 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 2021-22 and 2022-23. I also confirm that there are no conflicts of interest surrounding my appointment.

Name of person who carried out the internal audit:

JDH BUSINESS SERVICES LTD

Signature of person who carried out the internal audit:

[Handwritten signature]

Date: 26/07/2023