ITEM 47D)

Annual Audit opinion **(Qualified)**

Q. Accounting Statement does not properly/fairly present the Council's receipts and payments/income and expenditure and financial position?

Did not provide a complete explanation of significant variances within the year – Council did not ensure that the total unexplained variance for line 3 was within 15% of the previous year?

A. Variance analysis – The explanation provided doesn't clearly explain why there has been a significant change. The explanation sets out that one off receipts totalling £90k occurred in 2022-23 therefore we would expect the base figure to be around £54,000 which should be compared to the 2023-24 figure, so effectively the Council has increased their total other receipts for which the only reason given was an increase in hall hire. What we require to satisfy this is for the explanations to paint a picture of the movements/variances and there should be sufficient reasons to explain the variance. In this instance the auditor and reviewer felt that the explanations did not satisfy the requirement that the unaccounted variance was within 15%.

2022-23 Figure: 144,925
Less explanations for why total other receipts were higher in previous year: -93,490
Plus explanations for why total other receipts have increased in the year: +6,000
2022-23 Figure for comparison purposes: 57,435
2023-24 figure: 110,353
The unexplained difference is the difference between the two highlighted figures.

Q. Staff Contracts: I was not asked to provide all staff contracts (unless I misunderstood request). In the bundle I delivered to Wales Audit I enclosed the Clerk's contracts (previous Clerk who retired in October 23 and current clerk, me.). I was emailed a week or so ago by Wales Audit for copies of other staff contracts which I sent over.

Staff Contracts – The auditor did not receive a contract of employment for Maxine Hadley as requested in their e-mail on 16th October 2024.

Q. Annual Governance statement – is not consistent with the Council's internal controls and governance arrangements for the year.
Assertion 3. Council has not provided that a budget has been set in accordance with the LGFinance Act and that the precept has been set in line with the budget. Are you able to you confirm if this is because the Act requires to Council to consider its level of reserves? (as the budget did include estimated expenditure and income) – or is there more to it than that?

Would I be right in thinking because Finance Committee set the Precept and the minutes of this meeting was presented to Full Council (which Council Fully Supported) is not in line with the regulations and codes of practice. (This was before my time).

A. AGS: The auditor and reviewer conclude that the budget had not considered reserves when calculating the budget requirement. This is a legal requirement of the LG finance act. Additionally the Full Council must approve the budget and this can't be delegated to a subcommittee. We also have highlighted that the minutes do not set out exactly what the precepted amount.