Community and Town Councils in Wales
Annual Return for the Year Ended 31 March 2020

LANGUAGE PREFERENCE

Please indicate how you would like us to communicate with you during the audit. Note that audit notices will be issued bilingually.

	Yes	No
ENGLISH	✓	
WELSH		
BILINGUALLY		

THE ACCOUNTS AND AUDIT PROCESS

Section 12 of the Public Audit (Wales) Act 2004 requires community and town councils (and their joint committees) in Wales to make up their accounts each year to 31 March and to have those accounts audited by the Auditor General for Wales. Regulation 14 of the Accounts and Audit (Wales) Regulations 2014 states that smaller local government bodies i.e. those with annual income and expenditure below £2.5 million must prepare their accounts in accordance with proper practices.

For community and town councils and their joint committees, proper practices are set out in the One Voice Wales/Society of Local Council Clerks publication **Governance and accountability for local councils in Wales – A Practitioners' Guide** (the Practitioners' Guide). The Practitioners' Guide requires that they prepare their accounts in the form of an Annual Return. This Annual Return meets the requirements of the Practitioners' Guide.

The accounts and audit arrangements follow the process as set out below.

RFO/Clerk prepares accounting statements and Annual Governance Statement. Internal audit completes internal audit report. RFO certifies return (below Part 2 of the Annual Governance Statement) before 30 June and presents the return to the body.

→ The body approves the Annual Return by 30 June. This is evidenced by the Chair signing the box below Part 2 of the Annual Governance Statement. RFO/Clerk sends the Annual Return and copies of requested evidence to the external auditor acting on behalf of the Auditor General for Wales.

→ External auditor completes audit and:

Either: If no amendments are required, certifies the Annual Return and sends it back to the body for publishing by 30 September.

Or: If amendments are required, reports issues (including amendments) to the body. The body amends the Annual Return, the RFO re-certifies and the body re-approves before sending it back to the auditor. The auditor then certifies the Annual Return and sends it back to the body for publishing by 30 September.

Please read the guidance on completing this Annual Return and complete all sections highlighted pink including BOTH sections of the Annual Governance Statement.

APPROVING THE ANNUAL RETURN

There are two boxes for certification and approval by the body. The second box is only required if the Annual Return has to be amended as a result of the audit. You should only complete the top box before sending the form to the auditor.

The council must approve the Annual Return BEFORE the accounts and supporting documents are made available for public inspection under section 30 of the Public Audit (Wales) Act 2004.

The Auditor General for Wales' Audit Certificate and report is to be completed by the auditor acting on behalf of the Auditor General. It MUST NOT be completed by the Clerk/RFO, the Chair or the internal auditor.

Audited and certified returns are sent back to the body for publication and display of the accounting statements, Annual Governance Statement and the Auditor General for Wales' certificate and report.

Accounting statements 2019-20 for:

Name of body: BUCKLEY TOWN COUNCIL

	Year ending 31 March 2019 (£)	Year ending 31 March 2020 (£)	Notes and guidance for compilers Please round all figures to nearest £. Do not leave any boxes blank and report £0 or nil balances. All figures must agree to the underlying financial records for the relevant year.
Statement of income and expenditure/receipts and payments			
1. Balances brought forward	291,198	289,411	Total balances and reserves at the beginning of the year as recorded in the financial records. Must agree to line 7 of the previous year.
2. (+) Income from local taxation/levy	316,515	306,027	Total amount of income received/receivable in the year from local taxation (precept) or levy/contribution from principal bodies.
3. (+) Total other receipts	22,642	23,808	Total income or receipts recorded in the cashbook minus amounts included in line 2. Includes support, discretionary and revenue grants.
4. (-) Staff costs	100,889	104,835	Total expenditure or payments made to and on behalf of all employees. Include salaries and wages, PAYE and NI (employees and employers), pension contributions and related expenses eg. termination costs.
5. (-) Loan interest/capital repayments	0	0	Total expenditure or payments of capital and interest made during the year on external borrowing (if any).
6. (-) Total other payments	240,055	200,584	Total expenditure or payments as recorded in the cashbook minus staff costs (line 4) and loan interest/capital repayments (line 5).
7. (=) Balances carried forward	289,411	313,827	Total balances and reserves at the end of the year. Must equal (1+2+3) – (4+5+6).
Statement of balances			
8. (+) Debtors and stock balances	19,305	20,061	**Income and expenditure accounts only:** Enter the value of debts owed to the body and stock balances held at the year-end.
9. (+) Total cash and investments	280,405	310,308	**All accounts:** The sum of all current and deposit bank accounts, cash holdings and investments held at 31 March. This must agree with the reconciled cashbook balance as per the bank reconciliation.
10. (-) Creditors	10,299	16,542	**Income and expenditure accounts only:** Enter the value of monies owed by the body (except borrowing) at the year-end.
11. (=) Balances carried forward	289,411	313,827	**Total balances should equal line 7 above:** Enter the total of (8+9-10).
12. Total fixed assets and long-term assets	329,919	333,219	The asset and investment register value of all fixed assets and any other long-term assets held as at 31 March.
13. Total borrowing	0	0	The outstanding capital balance as at 31 March of all loans from third parties (including PWLB).

	2019 Yes	2019 No	2019 N/A	2020 Yes	2020 No	2020 N/A	
14. Trust funds disclosure note	X					✓	The body acts as sole trustee for and is responsible for managing (a) trust fund(s)/assets (readers should note that the figures above do not include any trust transactions).

Annual Governance Statement (Part 1)

We acknowledge as the members of the Council/Board/Committee, our responsibility for ensuring that there is a sound system of internal control, including the preparation of the accounting statements. We confirm, to the best of our knowledge and belief, with respect to the accounting statements for the year ended 31 March 2020, that:

	Agreed?		'YES' means that the Council/Board/Committee:	PG Ref
	Yes	No*		
1. We have put in place arrangements for: • effective financial management during the year; and • the preparation and approval of the accounting statements.	✓		Properly sets its budget and manages its money and prepares and approves its accounting statements as prescribed by law.	6, 12
2. We have maintained an adequate system of internal control, including measures designed to prevent and detect fraud and corruption, and reviewed its effectiveness.	✓		Made proper arrangements and accepted responsibility for safeguarding the public money and resources in its charge.	6, 7
3. We have taken all reasonable steps to assure ourselves that there are no matters of actual or potential non-compliance with laws, regulations and codes of practice that could have a significant financial effect on the ability of the Council/Board/Committee to conduct its business or on its finances.	✓		Has only done things that it has the legal power to do and has conformed to codes of practice and standards in the way it has done so.	6
4. We have provided proper opportunity for the exercise of electors' rights in accordance with the requirements of the Accounts and Audit (Wales) Regulations 2014.	✓		Has given all persons interested the opportunity to inspect the body's accounts as set out in the notice of audit.	6, 23
5. We have carried out an assessment of the risks facing the Council/Board/Committee and taken appropriate steps to manage those risks, including the introduction of internal controls and/or external insurance cover where required.	✓		Considered the financial and other risks it faces in the operation of the body and has dealt with them properly.	6, 9
6. We have maintained an adequate and effective system of internal audit of the accounting records and control systems throughout the year and have received a report from the internal auditor.	✓		Arranged for a competent person, independent of the financial controls and procedures, to give an objective view on whether these meet the needs of the body.	6, 8
7. We have considered whether any litigation, liabilities or commitments, events or transactions, occurring either during or after the year-end, have a financial impact on the Council/Board/Committee and, where appropriate, have included them on the accounting statements.	✓		Disclosed everything it should have about its business during the year including events taking place after the year-end if relevant.	6
8. We have taken appropriate action on all matters raised in previous reports from internal and external audit. (PLEASE SEE ATTACHED)	✓		Considered and taken appropriate action to address issues/weaknesses brought to its attention by both the internal and external auditors.	6, 8, 23

	Yes	No	N/A		
9. Trust funds – in our capacity as trustee, we have: • discharged our responsibility in relation to the accountability for the fund(s) including financial reporting and, if required, independent examination or audit.			✓	Has met all of its responsibilities where it is a sole managing trustee of a local trust or trusts.	3, 6

* Please provide explanations to the external auditor on a separate sheet for each 'no' response given; and describe what action is being taken to address the weaknesses identified.

Annual Governance Statement (Part 2)

	Agreed?			'YES' means that the Council/Board/ Committee:
	Yes	No*	N/A	
1. We have prepared and approved minutes for all meetings held by the Council (including its committees) that accurately record the business transacted and the decisions made by the Council or committee.	✓			Has kept and approved minutes in accordance with Schedule 12, Paragraph 41 of the Local Government Act 1972. (SEE ATTACHED)
2. We have ensured that the Council's minutes (including those of its committees) are available for public inspection and have been published electronically.	✓			Has made arrangements for the minutes to be available for public inspection in accordance with section 228 of the Local Government Act 1972 and has published the minutes on its website in accordance with section 55 of the Local Government (Democracy) (Wales) Act 2013.

* Please delete as appropriate.

Council/Board/Committee approval and certification

The Council/Board/Committee is responsible for the preparation of the accounting statements in accordance with the requirements of the Accounts and Audit (Wales) Regulations 2014 and for the preparation of the Annual Governance Statement.

Certification by the RFO	Approval by the Council/Board/Committee
I certify that the accounting statements contained in this Annual Return presents fairly the financial position of the Council/Board/ Committee, and its income and expenditure, or properly presents receipts and payments, as the case may be, for the year ended 31 March 2020.	I confirm that these accounting statements and Annual Governance Statement were approved by the Council/Board/Committee under minute reference:
	Minute ref: 17963
RFO signature:	Chair of meeting signature:
Name: MARTIN B WRIGHT	Name: CLLR ARNOLD WOOLLEY
Date: 24/07/20	Date: 24/07/20

Council/Board/Committee re-approval and re-certification (only required if the Annual Return has been amended at audit)

Certification by the RFO	Approval by the Council/Board/Committee
I certify that the accounting statements contained in this Annual Return presents fairly the financial position of the Council/Board/ Committee, and its income and expenditure, or properly presents receipts and payments, as the case may be, for the year ended 31 March 2020.	I confirm that these accounting statements and Annual Governance Statement were approved by the Council/Board/Committee under minute reference:
	Minute ref:
RFO signature:	Chair of meeting signature:
Name:	Name:
Date:	Date:

Auditor General for Wales' Audit Certificate and report

The external auditor conducts the audit on behalf of, and in accordance with, guidance issued by the Auditor General for Wales. On the basis of their review of the Annual Return and supporting information, they report whether any matters that come to their attention give cause for concern that relevant legislation and regulatory requirements have not been met.

We certify that we have completed the audit of the Annual Return for the year ended 31 March 2020 of:

BUCKLEY TOWN COUNCIL

External auditor's report

[Except for the matters reported below]* On the basis of our review, in our opinion, the information contained in the Annual Return is in accordance with proper practices and no matters have come to our attention giving cause for concern that relevant legislation and regulatory requirements have not been met.

An appropriate risk assessment has not been undertaken and minuted as evidence that the Council has assessed and taken appropriate steps to manage all the risks it faces. This is contrary to Regulation 5 of the Accounts and Audit (Wales) Regulations 2014.

BDO LLP Southampton
United Kingdom

[[These matters along with]* Other matters not affecting our opinion which we draw to the attention of the body and our recommendations for improvement are included in our report to the body dated 26/11/20.]

Other matters and recommendations

On the basis of our review, we draw the body's attention to the following matters and recommendations which do not affect our audit opinion but should be addressed by the body.

Please see enclosed report.

BDO LLP Southampton
United Kingdom

(Continue on a separate sheet if required.)

External auditor's name:	BDO LLP Southampton United Kingdom
External auditor's signature: BDO LLP For and on behalf of the Auditor General for Wales	Date: 26/11/20

* Delete as appropriate.

Annual internal audit report to:

Name of body: BUCKLEY 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 2020.

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? Yes	No*	N/A	Not covered**	Outline of work undertaken as part of the internal audit (NB not required if detailed internal audit report presented to body)
1. Appropriate books of account have been properly kept throughout the year.	✓				Insert text
2. Financial regulations have been met, payments were supported by invoices, expenditure was approved and VAT was appropriately accounted for.	✓				Insert text
3. The body assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	✓ *				Insert text * EXCEPT FOR ISSUE 1 IN INTERNAL AUDIT REPORT
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.	✓				Insert text
5. Expected income was fully received, based on correct prices, properly recorded and promptly banked, and VAT was appropriately accounted for.	✓				Insert text
6. Petty cash payments were properly supported by receipts, expenditure was approved and VAT appropriately accounted for.	✓				Insert text
7. Salaries to employees and allowances to members were paid in accordance with minuted approvals, and PAYE and NI requirements were properly applied.	✓				Insert text
8. Asset and investment registers were complete, accurate, and properly maintained.	✓				Insert text

	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.	✓				Insert text
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.	✓				Insert text
11. Trust funds (including charitable trusts). The Council/Board/ Committee has met its responsibilities as a trustee.			✓		Insert text

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. Insert risk area					Insert text
13. Insert risk area					Insert text
14. Insert risk area					Insert text

* 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 05/06/2020] *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 2018-19 and 2019-20. 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:	JDH Business Services Ltd
Date: 05/06/2020	

Guidance notes on completing the Annual Return

1. You must apply proper practices when preparing this Annual Return. Proper practices are set out in the Practitioners' Guide.
2. Make sure that the Annual Return is fully completed ie, no empty red boxes. Please avoid making any amendments to the completed return. If this is unavoidable, cross out the incorrect entries, make sure the amendments are drawn to the attention of the body, properly initialled and an explanation for them is provided to the external auditor. **Please do not use correction fluid.** Annual returns that are incomplete or contain unapproved and/or unexplained amendments or correction fluid will be returned unaudited and may incur additional costs. Ask your auditor for an electronic copy of the form if required.
3. Use a second pair of eyes, perhaps the Chair or a member, to review your Annual Return for completeness before sending the original form to the auditor.
4. Make sure that your accounting statements add up, that the balance carried forward from the previous year (line 7 of 2019) equals the balance brought forward in the current year (line 1 of 2020). Explain any differences between the 2019 figures on this Annual Return and the amounts recorded in last year's Annual Return.
5. Explain fully any significant variances in the accounting statements. Do not just send in a copy of your detailed accounting records instead of this explanation. The external auditor wants to know that you understand the reasons for all variances. Include a detailed analysis to support your explanation and be specific about the values of individual elements making up the variances.
6. Make sure that the copy of the bank reconciliation you send to your auditor with the Annual Return covers all your bank accounts and cash balances. If there are no reconciling items, please state this and provide evidence of the bank balances. If your Council holds any short-term investments, please note their value on the bank reconciliation. The auditor should also be able to agree your bank reconciliation to line 9 in the accounting statements. More help on bank reconciliations is available in the Practitioners' Guide.
7. **Every council must send to the external auditor, information to support the assertions made in the Annual Governance Statement even if you have not done so before.** Your auditor will tell you what information you need to provide. Please read the audit notice carefully to ensure you include all the information the auditor has asked for. You should send **copies** of the original records (certified by the Clerk and Chair as accurate copies) to the external auditor and not the original documents themselves.
8. Please do not send the auditor any information that you are not specifically asked for. Doing so is not helpful.
9. If the auditor has to review unsolicited information, repeat a request for information, receives an incomplete bank reconciliation or explanation of variances or receives original documents that must be returned, the auditor will incur additional costs for which they are entitled to charge additional fees.
10. **Please deal with all correspondence with the external auditor promptly.** This will help you to meet your statutory obligations and will minimise the cost of the audit.
11. **Please note that if completing the electronic form, you must print the form for it to be certified by the RFO and signed by the Chair before it is sent to the auditor.**

Completion checklist – 'No' answers mean that you may not have met requirements		Done?	
Initial submission to the external auditor		**Yes**	**No**
Accounts	Do the papers to be sent to the external auditor include an explanation of significant variations from last year to this year?		
	Does the bank reconciliation as at 31 March 2020 agree to Line 9?		
Approval	Has the RFO certified the accounting statements and Annual Governance Statement (Regulation 15 (1)) no later than 30 June 2020?		
	Has the body approved the accounting statements before 30 June 2020 and has Section 3 been signed and dated by the person presiding at the meeting at which approval was given?		
All sections	Have all pink boxes in the accounting statements and Annual Governance Statement been completed and explanations provided where needed?		
	Has all the information requested by the external auditor been sent with this Annual Return? Please refer to your notice of audit and any additional schedules provided by your external auditor.		

If accounts are amended after receipt of the Auditor General's report on matters arising		Yes	No
Accounts	Have the amended accounting statements been approved and Section 3 re-signed and re-dated as evidence of the Board's approval of the amendments before re-submission to the auditor?		

SUPPLEMENTARY INFORMATION IN RELATION TO THE COMMUNITY AND TOWN COUNCILS IN WALES ANNUAL RETURN FOR THE YEAR ENDED 31ST MARCH 2020

1. Page 3 of the Annual Return – Note No. 8 – Buckley Town Council had a Public Interest Report issued against it by the Wales Audit office in November 2019, regarding its failure to abide by its Standing Orders in relation to the extending of Contracts for cleaning the Council Offices and Public Conveniences, together with the Contract for the Town Centre Manager. The contracts had been in place for a number of years. Being aware of the investigation the Town Council decided to do the following in relation to the contract:-

a) Cleaning Contracts – at the January 2019 meeting of the Finance & Economic Development Committee it was resolved to extend both contracts for 1 more year (19/20) and to go out to competitive quotations during 19/20 (see Minute Ref. 17432). During 1920 competitive quotations were sought from 7 companies, only two of whom responded (full details are provided in the Internal Auditors bundle of Accounts for 2019/20). Eventually only the existing contractor provided prices. Please note this was similar to the original letting of the contracts when only 2 contractors eventually provided prices. Eventually the current provider was awarded the 2 contracts for a period of 3 years (see Minute 17946 of the February 2020 Highways and Leisure Committee) Please note that the above minute is not yet on the Council Website as the March 2020 Council & Committee meetings were not held due to the Government requirements under the COVID-19 "lockdown". However the Agenda items are on the Website. The joint contract was signed by the contractor on 22nd February 2020 and by the Council on 26th & 27th February 2020 It should also be noted here that throughout the Wales Audit Office investigation, the Town Council maintained that it had obtained value for money from the contracts due to annual negotiations with the contractor. Indeed the original title of the draft Public Interest report was Obtaining Value for Money – Buckley Town Council (paraphrased). The council provided detailed analysis of its contention and requested the matter be referred to in the report; it was however mainly ignored and merely referred to as not proving in itself that Value for Money had been obtained. When the contracts were let (commencing 1st April 2020), the price for cleaning the offices had risen as compared to 2019/20 by approx. 3% with the cleaning of the public conveniences rising as compared to 2019/20 by marginally in excess of 30%. This, the Council contends is proof that value for money had been obtained on the previous contracts.

b) Town Centre Manager Contract – A decision was taken to cancel the above contract as from 31st March 2020 and replace it with a contract for a Town Events Organiser and Town Centre Support Provider from 1st April 2020. An advertisement was placed in the press on 7th February 2020 and also on the Website at the same time. Only one tender was received by the closing date, which came from the current contractor providing the Town Centre Manager service. The contractor's price was accepted by the Council at its meeting held on 25th February 2020. As above, the minutes have not yet been approved as the March meeting of the Council was cancelled due to the Coronavirus, however the Agenda for the above meeting is on the Website. The contract was signed on 26th February 2020.

2. Page 4 of the Annual Return – note 2 – All the minutes of all the meetings in 2019/20 have been prepared, approved and placed on the Town Council Website, with the exception of the meetings held on 25th February 2020. The reason for this is that due to the Coronavirus pandemic the March 2020 meetings did not take place and therefore the minute of February's meetings are still in draft. The Agendas for the March 2020 meetings were sent in draft to Members but have not been publicised or place on the Website.

ISSUES ARISING REPORT FOR
Buckley Town Council
Audit for the year ended 31 March 2020

BDO

Introduction

The following matters have been raised to draw items to the attention of Buckley Town Council. These matters came to the attention of BDO LLP during the audit of the annual return for the year ended 31 March 2020.

The audit of the annual return may not disclose all shortcomings of the systems as some matters may not have come to the attention of the auditor. For this reason, the matters raised may not be the only ones that exist.

The matters listed below are explained in further detail on the page(s) that follow;

Issues Raised

- Council incorrectly stated 'Yes' to Trust Funds disclosure in Section 2 of the Annual return
- Risk Assessment

The following issue(s) have resulted in the annual return being qualified. They indicate a weakness in the body's procedures and require the body to take immediate action.

Risk Assessment

What is the issue?

The council did not undertake a review of their system of internal control which includes arrangements for the management of risks faced during the year.

Why has this issue been raised?

This is a breach of regulation 5 of the Accounts and Audit (Wales) Regulations 2014 which requires authorities to provide arrangements for the management of risk.

What do we recommend you do?

The council must ensure a risk assessment is carried out annually before the end of the financial year. This risk assessment must be reviewed and minuted as evidence of the review being undertaken annually before the end of the financial year.

The council should decide which risks it faces and how it is going to reduce the impact of these risks on the council's ability to provide its services. An example of the risks and how they can be handled is included in "A Practitioner's Guide" published by One Voice Wales & SLCC. An example risk table is available on our extranet to assist the council in assessing and clarifying their risks. If the council decides to utilise this table then it should be reviewed in detail, modified and adapted to the council's specific needs. If you do not have access to the internet, contact us and we can supply you with a copy.

Further guidance on this matter can be obtained from the following source(s):

Governance and Accountability in Local Councils in Wales - A Practitioners Guide, OVW/SLCC
Audit Briefing, Winter 2012 - BDO LLP

The following issue(s) have been raised to assist the body. The body is recommended to take action on the following issue(s) to ensure that the body acts within its statutory and regulatory framework.

Council incorrectly stated 'Yes' to Trust Funds disclosure in Section 2 of the Annual return

What is the issue?

The council has answered 'Yes' in error to the Trust Fund question on the annual return

Why has this issue been raised?

The disclosure on the annual return is incorrect, as the council is not the sole trustee of any charities.

What do we recommend you do?

The council should ensure in future years that it answers 'N/a', that the council does not have any responsibilities to discharge in relation to a charity

Further guidance on this matter can be obtained from the following source(s):

Not applicable

No other matters came to our attention.

For and on behalf of
BDO LLP

Date: 26 November 2020

Lynne George

From: Lynne George
Sent: 10 December 2020 11:42
To: Louise Caplen
Subject: RE: Annual External Audit and Annual Return for 2019/20 [BDO-UK.FID4054460]

Dear Ms Caplen,

Thank you for your return of the Annual Return for 2019/20 and to your report on issues arising from the Audit.

With regard to the issues arising, I would wish you to take notice of the following comments:-

1. Council incorrectly stated yes to Trust Funds disclosure in Section 2 of the Annual Return – Although it is correct to state that note 14 on page 2 of the Annual Return was originally ticked as yes, the Return clearly shows that the tick has been crossed out, initialled and the correct box ie N/A has been ticked in its place, again initialled. I would, therefore, contend that the Town Council has not incorrectly stated yes to Trust Funds disclosure in Section 2 of the Annual Return but more, incorrectly initially indicated yes but amended it to state N/A.
2. Risk Assessment – You state that the issue is "The Council did not undertake a review of their system of internal control which includes arrangements for the management of risks faced during the year". I contend that this statement is incorrect. The Council did undertake a review of its system of internal control which includes arrangements for the management of risks faced during the year. The Risk Assessment Document was included in the Agendas for the March 2020 Council and Standing Committee Meetings. The March meeting could not be held due to the lockdown imposed by the Welsh Government due to Covid-19. The Risk Assessment Document was therefore presented to the Council at its first Virtual Meeting which was held in July 2020. This problem was clearly identified on the final Accounts bundle forwarded to you on 24th July 2020 on page 9(a) which states the following under Responses to Final Accounts [Internal] Audit – 2019/20. The Internal Auditor states "We have not seen evidence that the Council have carried out an Annual Risk Assessment in 2019/20". The response is shown as "The Council reviews the Risk Assessment Document (Addendum 3 to the Standing Orders) on an annual basis. The review had been undertaken and reported to the Council on its Agendas for the March 2020 meeting. Unfortunately the March 2020 meeting could not take place due to the lockdown imposed by the Welsh Government due to Covid-19. "Virtual Meetings" are being arranged in the near future and the March 2020 Agenda will be included in the Agenda for the first of the "Virtual Meetings" ".

I would appreciate your comments on the above and look forward to an early reply. In the meantime I will follow the instructions as listed for the publication of the documentation.

Regards,
Martin Wright FCPFA AFA MAAT
Town Clerk and Financial Officer