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Dale Community Council - Auditor General for Wales' Audit Certificate and report

The Auditor General for Wales issued Dale Community Council a qualified audit report. Details of the matter which led to the qualification are detailed below:

Certification by the RFO after the Annual governance statement and Accounting statements have been signed and approved

Regulation 15(1) of the Accounts and Audit Regulations (Wales) 2014 stipulates that the Responsible Financial Officer must sign and date the Accounting statements to certify that it presents fairly the financial position of the authority and its income and expenditure, or properly presents receipts and payments as the case may be. Regulation (2) stipulates that when the Responsible Financial Officer has complied with paragraph (1) the authority must, in the following order:

- (a) consider the statement of accounts by the members meeting as a whole;
- (b) approve the statement of accounts by resolution; and
- (c) ensure the statement of accounts is signed and dated by the person presiding at the meeting at which that approval is given.

The Responsible Financial Officer must, therefore, certify the Accounting statements before the authority considers, approves and signs them.

The Responsible Financial Officer for the Council has certified the Accounting statements on 27 May 2020, after the Council approved them in a virtual meeting on 26 May 2020, as confirmed by the minutes. In future, the Council should ensure that the Responsible Financial Officer certifies the Accounting statements **before** the authority considers, approves and signs them in accordance with Regulation 15. The correct answer to the Annual Governance Statement, Assertion 1 is 'No'.

Additionally, during our review we identified some other matters that we wish to draw to the Council's attention which do not affect our audit opinion but should be addressed by the Council.

Timing of internal audit

The Council approved the Accounting Statement on the Annual Return on 26 May 2020, and has responded "Yes" to assertion 6, confirming that the Council has maintained

throughout the year an adequate and effective system of internal audit of the Council's accounting records and control systems.

The Internal Auditor Report on the annual Return was completed by the Internal Auditor on 10 June 2020, 15 days after the Council gave a positive response to assertion 6 on Annual Governance Statement on the Annual Return.

If the Council gives a positive response to assertion 6 before the independent Internal Auditor has completed their report on the Internal Auditor Report, the Council must be able to explain on what basis it was appropriate to give a positive response to the assertion that it has maintained throughout the year an adequate and effective system of internal audit of the Council's accounting records and control systems.

Section 2 – Accounting statements

Box 2 on the Accounting Statement, Income from local taxation/levy, is incorrectly stated as £3,902. This should instead read £3,900. The Council have included other receipts in Box 2, while any other receipts should be included in Box 3. Box 3 therefore should read £2.

The Council should restate the 2020 figures on next year's Annual Return and write "restated" beneath the £ sign on the 2020 column.

Staff costs

The Council did not record the discussion and approval of an increase to the clerk's salary from £500 in 2018/19 to £1,500 for 2019/20 in its minutes. The Council also did not minute the discussion and approval of a payment of £125 to the clerk during 2019/20. The Council should minute and approve payments made to the clerk in the future.

Accounting for Fixed Assets

Evidence from Box 6 states the council purchased a noticeboard, which totals £200, during the year 2019/20. This should be reflected in the Council's fixed asset register.

A formal schedule of assets should be maintained and regularly updated. This should be reported in Box 12 on the Accounting Statement on the Annual Return.

The Council should restate the 2020 figures on next year's Annual Return and write "restated" beneath the £ sign on the 2020 column.

Yours sincerely

Grant Thornton UK LLP

For and on behalf of the Auditor General for Wales

Date: 20 November 2020

Ref: WAL139