

Community Councils in Wales

Via email

**Reference:** Audit Notice 2024

**Date issued:**

1 Cwr y Ddinas / 1 Capital Quarter

Caerdydd / Cardiff

CF10 4BZ

Tel / Ffôn: 029 2032 0500

Fax / Ffacs: 029 2032 0600

Textphone / Ffôn testun: 029 2032 0660

[info@audit.wales](mailto:info@audit.wales) / [post@archwilio.cymru](mailto:post@archwilio.cymru)

[www.audit.wales](http://www.audit.wales) / [www.archwilio.cymru](http://www.archwilio.cymru)

Dear Sir/Madam

## Audit of Accounts 2024

**This letter contains important information for the statutory external audit. It includes a notice of audit and an explanation of what you must now do. It is important that you read the contents carefully to ensure that you provide all required information to your auditor on time.**

If you contact us asking for information that has already been provided or if we have to request this information again during the audit, the Council will incur additional audit fees.

## Annual return 2023-24

We enclose a copy of the 2023-24 Annual Return for you to complete and return to us.

Please note the change in the format of the Annual Return for this year.

You must complete, approve and send us the 2023-24 return, even if earlier years' audits have not yet been completed. We will close the earlier years alongside the 2023-24 audit.

## What should you do now – Important dates

### Annual return

- Prepare annual return and submit to Internal auditor
- RFO to certify annual return and Council to approve annual return by 30 June 2024 or
- Publish notice on noticeboard and website explaining why the annual return has not been approved by 30 June 2024

### Electors' Rights

- Display audit notice on noticeboard and on website by 16 June 2024
- Make arrangements for public to inspect accounts from 1 July 2024 to 26 July 2024
- Alternatively set 20 working day inspection period to be completed by 11 September 2024

### Audit

- Check if you are having a Basic or Triennial 'Full' audit - see "TCC audit cycle by county"
- **Basic audits** - send the annual return and requested information by **5 July 2024**
- **Full audits** - send the annual return and requested information by **7 August 2024**

## Information can be found as follows:

Annex	Page
1. Completing and approving the Annual Return	6
2. Appointment of date for the exercise of electors' rights to ask questions and make objections at audit	8
3. Notice of audit	9
4. Submission of information for audit	13
5. Publication of audited accounts	16

## Audit timetable

It is the Council's responsibility to make arrangements for the timely preparation and approval of accounts each year. The timetable is set out in the Accounts and Audit (Wales) Regulations 2014.

The proforma annual return has been provided in sufficient time to enable you to meet the 30 June deadline set by the Regulations. You do not need to wait until 30 June before preparing and approving the annual return. This means that other than in exceptional circumstances, you should be able provide us with the approved annual return and the required information for audit by the dates set out in this document. Late submission of accounts causes a significant administrative burden on the audit team and therefore, the cost of any additional work required will be passed on to the Council.

## Delayed audits

Should you need to notify us that you will not meet the deadlines set out here, all correspondence should be by email addressed to [communitycouncilaudits@audit.wales](mailto:communitycouncilaudits@audit.wales). Please do not send any emails to individual members of staff at Audit Wales.

## Correspondence with Audit Wales

We charge the cost of dealing with all correspondence to the relevant individual councils.

All correspondence should be sent to [communitycouncilaudits@audit.wales](mailto:communitycouncilaudits@audit.wales). Please do not send any emails to individual members of staff at Audit Wales.

Please do not telephone or email me personally with any queries regarding the audit. There is no need to copy me in on all items of correspondence related to the audit or to notify me when you will be on leave. If we need further information we will contact you.

Please do not email or telephone with questions on the submission process. Everything you need is included in this document and/or the attachments to the covering email. We will not deal with requests for information or clarification of information that is already included in this document or the other attachments. We will simply refer you back to these documents. If we need further information we will contact you.

If you need specific assistance with the accounts, please contact One Voice Wales.

## Advice on council activities

Audit Wales does not provide advice on any matters related to council activities. All councils should contact One Voice Wales for advice on matters that will result in the council incurring expenditure or generating income.

## Changes in clerks

If you are no longer the clerk to the body, please inform us immediately. You can write to us at [communitycouncilaudits@audit.wales](mailto:communitycouncilaudits@audit.wales).

## Audit fees

Audit fees are charged in accordance with the Audit Wales [Fee Scheme](#). The fees charged are based on time spent conducting the audit. This includes time spent in dealing with telephone calls and correspondence related to the audit whether this is initiated by Audit Wales staff or the council itself.

## Independence

We are not aware of any conflicts of interest between the auditor and the Council, its members or staff. We will notify you if we become aware of potential conflicts. You should notify us if you are aware of any such conflicts of interest.

## Complaints

If you have any complaints please contact us at the address above. Alternatively, you can email [complaints@audit.wales](mailto:complaints@audit.wales).

Further details on our complaints arrangements can be found [here](#).

Yours sincerely

*Deryck Evans*

Deryck Evans

Manager

For and on behalf of the Auditor General for Wales

## Annex 1: Completing and approving the Annual Return

### Tips for completing the Annual Return

You should complete the annual return in full as soon as possible and ensure that your internal auditor has completed their work before the annual return is approved. The [Practitioners' Guide](#) (Governance and Accountability for local councils in Wales) will help you to complete the annual return.

The RFO must then certify the annual return by 30 June and the body must approve the annual return also by 30 June. The Council cannot delegate this approval to a committee.

30 June is the latest date by which you can approve the annual return as per the Accounts and Audit (Wales) Regulations 2014. You should try and complete and approve the annual return earlier if you can.

If you are unable to complete the annual return before this date there is provision in the Regulations for this. You will need to publish the appropriate notice as set out below.

You will also need to ensure that you comply with the requirements of the Regulations when advertising the audit. If you cannot complete the 20 day inspection period before 11 September 2024, you must contact Audit Wales to agree a new timetable.

Please make sure that the Annual Return is fully completed i.e. all highlighted boxes are completed, the Council's name is written in the box on the Accounting Statement and the approval section has been signed and dated.

Check **all** arithmetic. We find that somewhere around 200 annual returns are arithmetically incorrect every year. In some cases, this is due to minor rounding differences. However, in other cases, the entries in the accounts are simply wrong. This may be due to typos, transposition errors (writing 39 instead of 93 for example) or by recording the wrong number from your working papers. We will issue our audit opinion on the basis of the accounts that are submitted for audit. Where there are material discrepancies, we will issue qualified audit opinions. Please note that it can take a significant amount of time to resolve errors in the accounts.

If you have restated the accounts due to errors identified during last year's audit, please write 'Restated' at the top of last year's column in the Accounting Statement. You will also need to give us an explanation of the changes.

Please make sure that you do not adjust receipts and payments for unrepresented cheques at 31 March. These payments are properly included in the 2023-24

accounts. The cash and bank balance reported in the Accounting Statement should equal the cashbook balance.

## **Proforma notices for late accounts**

Councils may wish to use the following notices where they are unable to approve the annual return by 30 June 2024 **Text in purple should be amended or deleted as appropriate.**

Notices must be published in a conspicuous place in the community e.g. a notice board and on the council's website.

### **Example notice for late certification and approval of accounts to be published 30 June 2024**

#### **Certification and approval of annual accounts for 2023-24**

Regulation 15(1) of the Accounts and Audit (Wales) Regulations 2014 (as amended) requires that Responsible Financial Officer of [name of Council] sign and date the statement of accounts, and certify that [it properly presents [name of Council]'s receipts and payments for the year] or [it presents fairly the financial position of [name of Council] at the end of the year and the Council's income and expenditure for the year]. The Regulations required that this be completed by 30 June 2024.

Due to [insert brief explanation], the Responsible Financial Officer has not signed and certified the accounts for the year ended 31 March 2024. The statement of accounts will be prepared and the Responsible Financial Officer will sign and certify the statement of accounts by [insert date if possible].

**OR**

[The Responsible Financial Officer signed and certified the accounts on [date].

Regulation 15(2) of the Accounts and Audit (Wales) Regulations 2014 (as amended) requires that following the certification by the Responsible Financial Officer referred to above, the Council must approve the accounts. The Regulations require that this be completed by 30 June 2024.

[The Council has not yet approved the accounts due to [insert brief explanation].

## **Annex 2: Appointment of date for the exercise of electors' rights to ask questions and make objections at audit**

The Auditor General has appointed **Thursday 12 September 2024** as the date from which electors can exercise their rights under the Public Audit (Wales) Act 2004.

In order to allow electors sufficient time to contact us with any questions or objections, we will not be able to issue our audit opinion until after 12 September 2024. We anticipate issuing audit opinions from 18 September onwards. However, we will complete our audit work before this date if we can.

The Council **must** approve the accounts **before** the commencement of the inspection period. If this does not occur, we will issue a qualified audit opinion. We may also require the Council to restart the process.

If the dates provided in Annex 3 are not suitable, you MAY make alternative arrangements provided that the inspection period is completed by 11 September 2024. We **will not** enter into correspondence regarding alternative dates. It is the Council's responsibility to make appropriate arrangements. We have provided dates to assist councils.

Should you use alternate dates, you MUST provide evidence that you properly advertised the audit and made proper arrangements for the exercise of electors' rights.



## Annex 3: Notice of audit

### The Council's obligations

Section 30 of the Public Audit (Wales) Act 2004 gives electors the right to inspect the Council's accounts before asking questions of or making objections to the accounts to the Auditor General.

The Accounts and Audit (Wales) Regulations sets out in detail how the Council is to facilitate the exercise of these rights.

This is an area where we receive many complaints about community and town councils. Dealing with these complaints adds to the cost of the audit. Therefore, we recommend that councils follow the timetable set out below.

### Timetable for public inspection of accounts

This is an area where we receive many complaints about community and town councils. Dealing with these complaints adds to the cost of the audit. Therefore, we recommend that councils follow the timetable set out below:

- by **16 June 2024**, publish the enclosed audit notice on a noticeboard in the area **AND** on the Council's website for a minimum of 14 calendar days; and
- after the 14 calendar days referred to above, make appropriate arrangements for the **public to inspect** the accounts and supporting documents **for a total of 20 working days to from 01 July to 26 July 2024**.

Councils can publish the audit notice before the annual return is approved by the Council. However, the annual return **MUST BE APPROVED BEFORE** the 20 day inspection period starts.

The Regulations require that the accounts be available for inspection on reasonable notice during the inspection period. If the council's arrangements exclude any working days (Mondays to Fridays excluding bank holidays), then the inspection period must be extended appropriately. The dates set out above allow for councils to who are subject to the new audit approach to make their records available for public inspection before providing the same documents for audit.

If you wish to apply alternative dates for the advert and inspection, you can set alternative dates for the inspection period as long as the 20 day inspection period is completed by 11 September 2024 at the latest. However, it is your responsibility to make sure that the arrangements you make comply with the Accounts and Audit (Wales) Regulations 2014. Audit Wales **will not** discuss alternative dates with councils.

## Audit notice

Notice of appointment of the date for the exercise of electors' rights  
Caerwent Community Council

Financial year ending 31 March 2024

1. Date of announcement 18<sup>th</sup> June 2024
2. Each year the annual accounts are audited by the Auditor General for Wales. Prior to this date, any interested person has the opportunity to inspect and make copies of the accounts and all books, deeds, contracts, bills, vouchers and receipts etc relating to them for 20 working days on reasonable notice. For the year ended 31 March 2024, these documents will be available on reasonable notice on application to:

Anne-Marie Spooner

6, Centurions Court

Caerwent,

Caldicot

NP265FG

between the hours of \_\_\_\_\_ 10.00\_\_ and \_\_\_\_ 16.00\_\_\_\_\_ on Monday to Friday

commencing on 18th July 2024

and ending on 16<sup>th</sup> August 2024

3. From 12 September 2024, until the audit has been completed, Local Government Electors and their representatives also have:
  - the right to question the Auditor General about the accounts.
  - the right to attend before the Auditor General and make objections to the accounts or any item in them. Written notice of an objection must first be given to the Auditor General. A copy of the written notice must also be given to the council.

The Auditor General can be contacted via: Community Council Audits, Audit Wales, 1 Capital Quarter, Tyndall Street, Cardiff, CF10 4BZ or by email at [communitycouncilaudits@audit.wales](mailto:communitycouncilaudits@audit.wales).

4. The audit is being conducted under the provisions of the Public Audit (Wales) Act 2004, the Accounts and Audit (Wales) Regulations 2014 and the Auditor General for Wales' Code of Audit Practice.

## Electors' rights under the Public Audit (Wales) Act 2004

### The basic position

By law, any interested person has the right to inspect the council's accounts. If you are entitled and registered to vote in local council elections, then you (or your representative) also have the right to ask the Auditor General questions about them or challenge an item of account contained within them.

### The right to inspect the accounts

When a local government body has finalised its accounts for the previous financial year, it must advertise that they are available for people to look at. Having given reasonable notice of your intentions, you then have 20 working days to look through the accounts and supporting documents. You will be able to make copies of the accounts and most of the relevant documents from the body. You will probably have to pay a copying charge.

### The right to ask the auditor questions about the accounts

You can only ask the Auditor General questions about the accounts. The Auditor General does not have to answer questions about the body's policies, finances, procedures or anything else not related to the accounts. Your question must be about the accounts that are subject to audit. The Auditor General does not have to say whether he thinks something the council has done, or an item in its accounts, is lawful or reasonable.

### The right to object to the accounts

If you think that the body has spent money that they should not have, or that someone has caused a loss to the body deliberately or by behaving irresponsibly, you can object to the Auditor General by sending a formal 'notice of objection', which **must be in writing** to the address below. You may request that the Auditor General applies to the courts for a declaration that such items of account are unlawful. You must tell the Auditor General why you are objecting. The Auditor General must reach a decision on your objection. If you are not happy with that decision, you can appeal to the courts. You must also send a copy of your notice to the council itself.

You may also object if you think that there is something in the accounts that the Auditor General should discuss with the council or tell the public about in a 'public interest report'. Again, you must give your reasons in writing to the Auditor General at the address below. In this case, the Auditor General must decide whether to take any action. The Auditor General will normally, but does not have to, give reasons for his decision and you cannot appeal to the courts. You may not use this 'right to object' to make a personal complaint or claim against the body.

If you wish to make a personal complaint or claim, you should take these complaints to your local Citizens' Advice Bureau, local Law Centre, or your solicitor. You may also be able to complain to the Public Services Ombudsman for Wales if you believe that a Member of the body has broken the Code of Conduct for Members. The Ombudsman can be contacted at: 1 Old Field Rd, Pencoed, Bridgend CF35 5LJ, (tel: 0300 790 0203).

### **What else you can do**

Instead of objecting, you can give the Auditor General information that is relevant to their responsibilities. For example, you can simply tell the Auditor General if you think that something is wrong with the accounts or about waste and inefficiency in the way the council runs its services. You do not have to follow any set time limits or procedures. The Auditor General does not have to give you a detailed report of the outcome of his audit.

### **A final word**

Local government bodies, and therefore local taxpayers, must meet the costs of dealing with questions and objections. When the Auditor General decides whether to take your objection further, one of a series of factors he must take into account includes the costs that will be involved. He will only continue with the objection if it is in the public interest to do so. If you appeal to the courts, you might have to pay for the action yourself.

If you wish to contact the Auditor General, please write to: Community Council Audits, Audit Wales, 1 Capital Quarter, Tyndall Street, Cardiff, CF10 4BZ.

## Annex 4: Submission of information for audit

### Submission dates for audit packs

Type of audit	Submission date (send to Audit Wales by)
Basic audits	05 July 2024
Triennial 'Full' audits	07 August 2024

Timely submission of the information requested will help us to manage our overall workload. Please submit your documents earlier if you are able to.

### Statutory basis for the information request

The Auditor General has specified that for the purposes of undertaking the audit of the 2023-24 accounts, **all councils in Wales must provide** the information set out in this notice of audit. In requesting this information, the Auditor General exercises his rights of access to information as set out in section 52 of the Public Audit (Wales) Act 2004.

If information is not provided in the first instance, additional audit fees **will be** charged to the council.

### Basic or Triennial 'Full' audit

You **must** identify whether or not your council is subject to a basic or triennial 'full' audit this year. Please refer to the TCC\_audit\_cycle\_by\_county document attached.

All councils are listed by county. It is **your** responsibility to identify which form of audit your council is subject to.

### Information that must be submitted for all audits

Please refer to the attached document 'Basic Audit Information Requirements 2024'. **All** councils must submit the information specified for the Basic Audit.

## Information that must be submitted for the Triennial Full audit

**In addition to** the information required for the Basic audit, all councils that are subject to a 'Full' audit for 2023-24 **must also submit** the information specified in the attached document 'Full Audit Information Requirements 2024'.

This information is required regardless of the size of the Council or the sums of money raised in the precept each year.

## How to submit your audit packs to Audit Wales

**Please do not send your documents to any address other than that specified below.**

### By post or delivery by hand

If posting your audit packs, you **must only** send them to our Cardiff office. The address is listed below. Please **do not post or deliver** documents to our Penllergaer or Llandundno Junction offices. Please ensure that your documents are packaged securely.

Our address is:

Community Council Audits

Audit Wales

1 Capital Quarter

Tyndall Street

Cardiff, CF10 4BZ

On-site parking is not available. Our reception is adjacent to the Kin+Ilk coffee shop.

Please **do not** attend either the Penllergaer or Llandudno Junction office.

### By email

You may submit the Annual Return and supporting papers by email to [communitycouncilaudits@audit.wales](mailto:communitycouncilaudits@audit.wales). Email should however only be used for Basic audits. For Triennial Full audits we need to use a more secure data transfer method (see below).

In order to help us to identify councils, please start the subject line of the email with the Council's name and indicate the contents e.g Aberflyarf CC Annual return 2023-24. Including your council name is important as we deal with over 730 individual

audits. Using our format ensures that your council is easily identifiable. Please do not simply include 'Audit', 'Annual Return' or similar in the subject line. This makes it very difficult to search for your individual submissions.

**DO NOT** submit documents to any other Audit Wales email address unless you are explicitly asked to do so.

### **By secure data transfer via Objective Connect**

We use Objective Connect to securely transfer data. Objective Connect allows you to transfer large files (up to 10Gb) securely and confidentially.

If you wish to transfer data securely, please contact us at [communitycouncilaudits@audit.wales](mailto:communitycouncilaudits@audit.wales).

Please include in the subject line of your email 'Objective Connect Request' followed by the name of your council. Using this template format helps us to identify that you need Objective Connect set up and which council it refers to.

Please **do not** send requests to any other Audit Wales email address. These **will not** be dealt with.

### **Additional information requests during the audit**

In most cases, the information set out above will be sufficient for us to complete our audit.

However, when undertaking our audit work, we may identify further explanations or information required to allow us to complete the audit. This information or explanations may not be specified in this audit notice or the accompanying attachments.

This is a normal part of the audit process and is subject to the same access rights under section 52 of the 2004 Act as information specified in the audit notice.

We will notify you of any further explanations or information required, during the course of the audit.

## **Annex 5: Publication of audited accounts**

The Council must publish its audited accounts by 30 September 2024. These must be published on the Council's website alongside the Annual Governance Statement **and** the Auditor General's audit opinion and report – even if the opinion is qualified.

We will endeavour to send your audited annual returns by 30 September. However, if you have not heard from us by 28 September, you should publish the notice below:

### **Example notice to be published where the audit has not been completed by 30 September 2024**

#### **Publication of audited accounts for the year ended 31 March 2024**

Regulation 15(5) of the Accounts and Audit (Wales) Regulations 2014 (as amended) requires that by 30 September 2024, [name of Council] publish its accounting statements for the year ended 31 March 2024 together with any certificate, opinion, or report issued, given or made by the Auditor General.

The accounting statements, in the form of an annual return, have been published on the Council's website. [The Council has not yet submitted the accounts to the Auditor General for audit.] [However, the Auditor General has not yet issued his audit opinion and report and therefore the accounts are published before the conclusion of the audit.] The annual return will be published along with the Auditor General's report and opinion when the audit is completed.