

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 2022 of **Langstone Community 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 presents the Council's receipts and payments and financial position:

- The Council did not maintain adequate accounting records
- Receipts relating to the reimbursement of expenses both to the Clerk and the Chair were incomplete. The Council did not obtain and/or retain valid and original VAT receipts were not kept even though VAT was recorded and reclaimed from HMRC
- Expenditure that was paid via the Council's corporate credit card was retrospectively approved within Council minutes without specifying what items were purchased.

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:

- The Annual Governance Statement prepared and approved by the Council contains material discrepancies compared to the Internal Auditor's report
 - The Council did not follow its own Financial Regulations when approving payments and a number of payments made were not authorised by the Council
 - The Council did not undertake a risk assessment
 - The Council did not maintain adequate accounting records and did not maintain an asset register
- The Council does not have effective arrangements in place for the declaration and recording of members' interests
- The Council did not properly operate PAYE for payments of members' allowances

- The Council did not comply with the legal requirements regarding publication of agendas for meetings.
- The Council did not make proper arrangements for the approval and public inspection of accounts as set out in the Accounts and Audit (Wales) Regulations 2014

Arrangements to secure economy, efficiency and effectiveness in use of resources

In my opinion, the Council does not have proper arrangements in place to secure economy, efficiency and effectiveness in its use of resources:

- The Clerk and Chair routinely used their personal vehicles to deliver Council documents or to collect goods purchased resulting in the cost incurred being greater than alternative delivery methods

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.

Clerk's mileage claims


The Clerk claimed mileage in accordance with his contract of employment. However, the mileage rate claimed exceeds the HMRC authorised mileage allowance payment (AMAP).

The Clerk stated that he had contacted HMRC and that HMRC had agreed there was no tax liability arising. However, no evidence of this was provided. Normally, any payment in excess of £0.45 per mile is taxable.

Additionally, we note the Clerk claimed for mileage from his home address to the Council's office. Under HMRC rules, the Council office may be deemed to be a permanent place of work and therefore travel to the office is a normal commute. Mileage paid for a normal commute would be subject to tax. No such tax has been calculated.

We recommend that the Council seeks advice as to whether there are any tax liabilities associated with the mileage payments.

I draw to the Council's attention to my letter dated 10 April 2024.

 <p>Richard Harries, Director, Audit Wales For and on behalf of the Auditor General for Wales</p>	<p>Date: 10/04/2024</p>
---	--------------------------------