Community and Town Councils in Wales Annual Return for the Year Ended 31 March 2022

Accounting statements 2021-22 for:

		Year ending					Notes and guidance for compilers				
	3	1 Mar 2021 (£)		3	31 Marc 2022 (£)		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 inc	ome a	nd e	xpend	liture	/recei	pts a	nd payments				
 Balances brought forward 		2	59,821		28	31,916	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		31	12,000		3	12,000	Total amount of income received/receivable in the year from local taxation (precept) or levy/contribution from principal bodies.				
3. (+) Total other receipts	Total other acceipts23,338116,242Total income or receipts recorded amounts included in line 2. Included					Total income or receipts recorded in the cashbook minus amounts included in line 2. Includes support, discretionary and revenue grants.					
4. (-) Staff costs		11	5,873		11	13,593	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.				
 (-) 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		197,369 203			20	3,005	Total expenditure or payments as recorded in the cashbook minus staff costs (line 4) and loan interest/capital repayments (line 5).				
 (=) Balances carried forward 		281,916			39	3,560	Total balances and reserves at the end of the year. Must equal $(1+2+3) - (4+5+6)$.				
Statement of bala	ances	and the second second									
8. (+) Debtors		1	2,774		5	4,508	Income and expenditure accounts only: Enter the value of debts owed to the body at the year-end.				
9. (+) Total cash and investments		28	2,081 359,397			9,397	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		1	2,938	20,346		0,346	Income and expenditure accounts only: Enter the value of monies owed by the body (except borrowing) at the year-end.				
 (=) Balances carried forward 		28	1,916	393,560		3,560	Total balances should equal line 7 above: Enter the total of (8+9-10).				
 Total fixed assets and long- term assets 		1,10	0,541	1,098,481			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		0	The outstr third partit I certify this is a true copy of the original document				
4. Trust funds	Yes	No	N/A	Yes	No	N/A	The body Signed Maymone				
disclosure note	Service South		Conservation of		Beenter	101seaku	managing TC/RFO. that the				
							figures ab Chair. Ann Rud				

Haverfordwest Town Council

Annual Governance Statement

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 2022, that:

			Agreed?		'YES' means that the	PG Ref
		Yes	s	No*	Council/Board/Committee:	
1.	 We have put in place arrangements for: effective financial management during the year; and the preparation and approval of the accounting statements. 	C		C	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.	C		C	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.	C			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.	C	I	۵	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.	C		3	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.		E	3	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.	C	E	3	Disclosed everything it should have about its business during the year including events taking place after the year-end if relevant.	6
Β.	We have taken appropriate action on all matters raised in previous reports from internal and external audit.	C	E	3	Considered and taken appropriate action to address issues/weaknesses brought to its attention by both the internal and external auditors.	6, 8, 23
Э.	 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 	Yes		N/A	Has met all of its responsibilities where it is a sole managing trustee of a local trust or trusts.	3, 6
or audit. * Please provide explanations to the external auditor on a separate sheet for each being taken to address the weaknesses identified. Licertify this is a true copy of the original document Signed TC/RFO						n is

Additional disclosure notes*

G	e following information is provided to assist the reader to understand the accounting statement and/or the Annual overnance Statement
1.	Expenditure under S137 Local Government Act 1972 and S2 Local Government Act 2000 Section 137(1) of the 1972 Act permits the Council to spend on activities for which it has no other specific powers if the Council considers that the expenditure is in the interests of, and will bring direct benefit to, the area or any part of it, or all or some of its inhabitants, providing that the benefit is commensurate with the expenditure. Section 137(3) also permits the Council to incur expenditure for certain charitable and other purposes. The maximum expenditure that can be incurred under both section 137(1) and (3) for the financial year 2021-22 was £8.41 per elector. In 2021-22, the Council made payments totalling £48,116.64 under section 137. These payments are included within 'Other payments' in the Accounting Statement.
2.	
3.	I certify this is a true copy of the original document Signed TC/RFO Chair

* Include here any additional disclosures the Council considers necessary to aid the reader's understanding of the accounting statements and/or the annual governance statement.

Council/Board/Committee approval and certification

The Council/Committee is responsible for the preparation of the accounting statements and the annual governance statement in accordance with the requirements of the Public Audit (Wales) Act 2004 (the Act) and the Accounts and Audit (Wales) Regulations 2014.

Certification by the RFO I certify that the accounting statements contained in this Annual Return present fairly the financial position of the Council/Board/ Committee, and its income and expenditure, or properly present receipts and payments, as the case may be, for the year ended	Approval by the Council/Board/Committee I confirm that these accounting statements and Annual Governance Statement were approved by the Council/Board/Committee under minute reference: Minute ref: 2232		
31 March 2022.			
RFO signature: J Raymond	Chair of meeting signature: A Buckfield		
Name: J Raymond	Name: Councillor A Buckfield		
Date: 27 June 2022	Date: 29 June 2022		

Auditor General for Wales' Audit Certificate and report

I report in respect of my audit of the accounts under section 13 of the Act, whether any matters that come to my attention give cause for concern that relevant legislation and regulatory requirements have not been met. My audit has been conducted in accordance with guidance issued by the Auditor General for Wales.

I certify that I have completed the audit of the Annual Return for the year ended 31 March 2022 of:

Haverfordwest Town Council

Auditor General's report

Audit opinion – Qualified

Except for the matters reported below in my Basis for Qualification, on the basis of my review, in my opinion no matters have come to my attention giving 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 legislation 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 for Qualification

Accounting Statement

In my opinion, the Accounting Statement has not been prepared in accordance with proper practice and does not properly present the Councils income and expenditure and financial position:

• The Council accounted for all income relating to the letting of the Picton Centre to Hywel Dda Health Board in the 2021/22 financial year. However the agreement with the Health Board started in August 2020. Therefore, the prior year comparative is also misstated. The Council should have recognised £12,280.93 income for the lease agreement between August 2020 and March 2021 in the accounts for the 2020-21 financial year.

Annual Governance Statement

In my opinion, the Annual Governance Statement is inconsistent with the Council's governance arrangements for the year

- Assertion 1 effective financial management. The Council's budget setting procedures are not effective or accurate and may have led to the Council raising a greater precept than was required for the Council's activities. In our view the Council increased its precept disproportionately by:
 - it incorrectly included election costs twice in its budget requirement
 - did not provide the relevant information of current and expected level of reserves when deciding the required precept.
 - double counted the setting of a reserve of £50,447 for election costs. This reserve was set on the basis of assuming a cost of between £5000-£9000 per ward, the final cost of the May elections was £5,495.78. In our view we deem that the setting of this reserve could be considered unreasonable on the assumptions made.
- Assertion 3 noncompliance with laws, regulations and codes of practice. The Council has not provided evidence that a budget has been set in accordance with the Local Government Finance Act 1992 and that the precept has been set in line with the budget. The Act requires the Council to take into account estimated income when setting its budget requirement. The Council did not consider the income arising from letting the Picton Centre to Hywel Dda Health Board. We recommend that the Council sets a budget in accordance with the 1992 Act for future years.

Other matters arising 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 body.

Transparency

The Council should ensure that meeting minutes, supporting papers and decisions are published. The Council does not publish historic agendas and related papers on its website. The Council does not explain clearly how members of the public can attend virtual meetings of the Council. The Council has not uploaded its timetable of meeting for the 22/23 or 23/24 financial year.

The Council should ensure that they publish full copies of its prior year annual return including the accounting statement, AGS and the audit opinion. I recommend that the Council publishes all relevant information relating to Council business on its website in the interest of being open and transparent.

Council Approval Checks

The Internal Auditor signed the Annual Return after the Chair. We recommend that going forward, arrangements are put in place to ensure the Internal Auditor signs the Annual Return before the Chair.

Council's Reserve Policy

The Council's budget report refers to Audit Wales suggesting: "it was good practice to keep the general reserves equalling half of the budget." Audit Wales does not make such recommendations, it is up to the Council to determine the level of reserves it keeps. Local councils have no statutory powers to hold revenue reserves other than for reasonable working capital needs or for specifically earmarked purposes.

Approval of settings fees and charges

The Council has not reviewed its fees and charges in the 2021/22 financial year. The Council should formally confirm on an annual basis all fees and charges set by the Council.

There are no further matters that I wish to draw to the Council's attention.

Richard Harries, Director, Audit Wales For and on behalf of the Auditor General for Wales Date: 15/09/2023

Annual internal audit report to:

I certify this is a true copy of the
original document
original document Signed
TC/RFO
Chair. A.h. Buh
Haverfordwest Town Council

Name of body: Haverfordwest 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 2022.

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.

			A	greed?		Outline of work undertaken as part	
		Yes	No*	N/A	Not covered* *	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.	C	C	C	C	Insert text	
2.	Financial regulations have been met, payments were supported by invoices, expenditure was approved and VAT was appropriately accounted for.	C	C	C	C	Insert text	
3.	The body assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	C	C	C	C	Insert text	
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.	C	C	C	C	Insert text	
5.	Expected income was fully received, based on correct prices, properly recorded and promptly banked, and VAT was appropriately accounted for.	C	C	C	C	Insert text	
6.	Petty cash payments were properly supported by receipts, expenditure was approved and VAT appropriately accounted for.	C	C	C	C	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.	C	C	C	C	Insert text	
8.	Asset and investment registers were complete, accurate, and properly maintained.	C	C	C	C	Insert text	

		Agreed?			Outline of work undertaken as part of	
	Yes	No*	N/A	Not covered**	the internal audit (NB not required if detailed internal audit report presente to body)	
 Periodic and year-end bank account reconciliations were properly carried out. 	C	C	C	C	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.	C	C	C	C	Insert text	
 Trust funds (including charitable trusts). The Council/Board/ Committee has met its responsibilities as a trustee. 	C	C	C	C	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:

		А	greed?		Outline of work undertaken as part of	
	Yes	No*	N/A	Not covered**	the internal audit (NB not required if detailed internal audit report presented to body)	
12. Insert risk area	C	C	C	C	Insert text	
13. Insert risk area	C	C	C	E	Insert text	
14. Insert risk area	C	C	C	C	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 11 July 2022.

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 2020-21 and 2021-22. I also confirm that there are no conflicts of interest surrounding my appointment.

Name of person who carried out the internal audit: B W Scourfield CPFA (retired)		
	I certify this is a true copy of the	
Date: 11 ^m July 2022	original document Signed TC/RFO ChairA.L. B.M.L. Haverfordwest Town Council	