

## 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 2025 of **Llanafanfawr 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**

#### **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 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 consider its level of reserves, estimated expenditure and estimated income when setting its budget requirement. The Council must set their budget in accordance with the relevant regulations and codes of practice.

#### **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.

#### **Misclassification of expenditure**

The Council has included £400 travel expenses within staff costs. The amount should have been recorded within total other payments.

## Training Plan

I draw attention to the negative response in the Annual Governance Statement. The Annual Governance Statement sets out the minimum governance standards that the Council should comply with.

I note that the Council has not met its obligation under the Local Government and Elections (Wales) Act 2021 to create and publish a training plan.

We recommend that the Council creates a training plan to ensure that all members understand and are properly equipped to fulfil their role.

## VAT 126 returns

The Council did not provide VAT 126 returns as evidence for their VAT receipts.

We recommend that the Council provide VAT 126 returns as part of future full audits.

## Minutes on Council's website

No minutes have been uploaded after the January 2025 minutes.

We recommend that the Council upload all minutes to its website in a timely manner.

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

 <b>Richard Harries, Director, Audit Wales</b> For and on behalf of the Auditor General for Wales	Date: 25/09/2025
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