# Basic audits 2024-25

## Application: Council subject to a Basic audit for 2024-25

# The Auditor General’s right of access to information and explanations

Section 52 of the Public Audit (Wales) Act 2004 provides the Auditor General with the right of access to all information and explanations that he considers to be necessary for the purposes of the audit. Persons holding such information are required to provide this on request.

The following information is provided to assist councils to prepare information required for the audit of accounts.

Councils must note that this information request represents the core information we require. In most cases, this will be sufficient for us to complete the audit.

However, we may request any further information that we consider necessary to complete the audit. Further information may be required due to issues being identified or clarification being required during the audit process and/or if we receive correspondence related to individual councils.

# Audit cycle

Your Council is subject to a ‘basic’ audit this year. The information required for audit can be seen below.

To view the audit cycle for the period 2024-25 to 2026-27, please refer to the attached document ‘TCC\_audit\_cycle\_by\_county.pdf’. It is arranged by county.

# Information required

## Council contact details and core information

Each year, we identify numerous changes to clerk’s/councils’ contact details. In many cases, councils do not inform us of these changes.

We will be asking all councils to confirm their contact details each year to help us maintain our records.

Page 5 sets out the contact details and other core information we require. All councils must complete this so that we can ensure our dataset is up to date.

## Bank reconciliation

A bank reconciliation is a control schedule prepared by the Council that agrees the balance per the bank statement at the year end to the bank balance per the Council’s own records e.g. the cashbook. The Council should prepare a bank reconciliation every time it receives a bank statement to ensure that any errors are identified at an early stage.

The bank reconciliation(s) should cover all the Council's bank accounts. If the Council has more than one bank account it is helpful if you can provide a summary of the bank reconciliations that agrees to Box 8 on the Annual Return in addition to the detailed reconciliations prepared for each account.

If there are no outstanding items at the year-end you must still supply a bank reconciliation. A zero or “Nil” should be included in the relevant lines on the schedule or a clear statement should be made to that effect.

An example bank reconciliation is provided on page 4. We recommend that councils use this format.

## Explanations of significant variances on the Accounting Statements

We require explanations for significant variances (increases or decreases) of more than 15% between the current audit year and the last audit year in lines 3, 4, 5, 6, 8, 10, 12 and 13. Variances of less than 15% need not be explained.

Positive and negative variances must be explained.

Your explanations must be quantified, i.e. state how much of the variance is covered by each specific explanation. Your explanations must ensure that the variances for each line are explained and quantified to within 15%.

You can set out your explanations of variances in any way you wish, but they should be clear and complete and easy to follow. You should not simply send a copy of a cashbook. We need to understand why the council’s activity level changed.

Our suggested method of how to identify variances that require explanation, and suggested layout for providing explanations are set out on pages 7 and 8.

## Well-being of Future Generations (Wales) Act 2015

For those councils subject to the requirements of the Well-being of Future Generations (Wales) Act 2015, a copy of the Council’s report on how it is contributing to the wellbeing of its area.

## Council contact details and other core information

Please provide the following contact details for the Council.

|  |  |
| --- | --- |
|  | Current details |
| Clerk’s name | Vanessa Owens |
| Clerk’s address[[1]](#footnote-2) | LLaninaAberporthCardiganCeredigion SA43 2EY |
| Clerk’s contact telephone | 07974203864 |
| Clerk’s email address | Clerk@aberporthcommunitycouncil.gov.uk |
| Council website | www.aberporthcommunitycouncil.gov.uk |

**Accounting records**

Please indicate the format in which the Council keeps its accounting records

|  |  |
| --- | --- |
|  | Yes / No |
| Manuscript cashbook / receipts and payments book |  |
| Spreadsheet |  |
| Accounts software packages: |  |
| * Rialtas
 |  |
| * Sage
 |  |
| * Scribe
 | Yes |
| * Xero
 |  |
| * Other (Please specify)
 |  |

## Bank reconciliation[[2]](#footnote-3)

COUNCIL NAME: …Aberporth Community Council

COUNTY : …Ceredigion

|  |  |  |
| --- | --- | --- |
|  |  |  |
|  |  |  |
|  |  |  |

## Explanation of variances

## Working out what variances need to be explained

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Line in section 1** | **Last Year £** | **This Year £** | **Variance****Increase (+) or decrease (-)****(This Year minus Last Year)****£** | **% (Variance divided by Last Year figure multiplied by 100)** | **Explanation required?****Less than 15% - NO****More than 15% - YES** |
| Line 3 Total other receipts |  |  |  |  |  |
| Line 4 Staff costs |  |  |  |  |  |
| Line 5Loan interest/ capital repayments |  |  |  |  |  |
| Line 6 Total other payments |  |  |  |  |  |
| Line 8 Debtors and stock balances |  |  |  |  |  |
| Line 10Creditors |  |  |  |  |  |
| Line 12Total fixed assets and long term assets |  |  |  |  |  |
| Line 13Total borrowing |  |  |  |  |  |

## Suggested layout for explanations

One sheet to be prepared for **each variance** that requires explanation.

|  |  |
| --- | --- |
| Line ……………….. | **£** |
| Figure in This Year column |  |
| Figure in Last Year column |  |
| Variance (This Year figure less Last Year figure) A positive figure is an increase, a negative figure is a decrease |  |
|  |  |
| **Reasons (as many as are applicable)** | **Amount****£** |
| Reason 1 |  |
| Reason 2 |  |
| Reason 3 |  |
| Reason 4 |  |
| Unexplained |  |
| Confirm unexplained amount is less than 15% of Last Year figure |  |

Please note that explanations should be quantified and should consider one off items in both the current and prior years. Explanations that do not quantify each element of the variance will not be accepted as a full explanation and will likely result in a qualified opinion. Examples of unacceptable explanations include:

* Expenditure increased because the Council spent more on staff.
* Other payments increased because of park benches and grass cutting,

## Governance themes 2024-25

## Capital projects

Please provide the following information:

1. Details of capital projects undertaking during the year. This should include project name and spend in year. If none, please state that this is the case.
2. A copy of the minutes of the meeting at which the project contract was approved.

## Member and officer training

Please provide the following information:

1. A copy of the Council’s training plan.

## Completion of audit 2023-24

Please provide the following information:

1. Link to the Council’s website page where the audit completion notice for 2023-24 has been published or:
2. If the 2023-24 audit is not complete, link to the Council’s website page where the latest audit completion notice has been published.

PLEASE NOTE THAT FOR THIS ITEM WE WANT A LINK TO YOUR WEBSITE NOT A COPY OF THE DOCUMENT

1. We will use this address to return any original records to you. The address you provide must be listed on [Postcode finder](https://www.parcelforce.com/postcode-finder). We cannot return documents to a PO Box. [↑](#footnote-ref-2)
2. The bank reconciliation provided must equal line 9 on the annual return. Therefore, you need to either provide a reconciliation for every account held by the Council or combine them all on one sheet. [↑](#footnote-ref-3)