

Basic audits 2025-26

Application: Council subject to a Basic audit for 2025-26

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 2025-26 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

Language preference

Please indicate the language preference for the Council. We will use this as a basis for our communications with you related to the audit.

English	Welsh	Bilingual
		Y

Contact details

Please provide the following contact details for the Council.

	Current details
Clerk's name	Esther Winter
Clerk's address ¹	Old Church Rooms, Park Road, Radyr, Cardiff, CF15 8DF
Clerk's contact telephone	02920 842213
Clerk's email address	clerk@radyr.wales
Council website	https://radyrandmorganstowncc.org/

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	Y
• Xero	
• Other (Please specify)	

¹ We will use this address to return any original records to you. The address you provide must be listed on [Postcode finder](#). We cannot return documents to a PO Box.

Bank reconciliation²

COUNCIL NAME: Radyr and Morganstown Community Council.....

COUNTY : Glamorgan.....

		£
A	Balance on the bank statement at 31 March (taken from bank statement)	<u>184,649.87</u>
B	Outstanding items Less unpresented cheques (List each outstanding cheque)	
C	Plus uncleared payments into bank (to agree with attached list)	<u>44.54</u>
D	Petty cash Plus any petty cash balance held at 31 March	<u>0.00</u>
E	Balance in the cash book (Authority's own records) at 31 March (Calculated as $A-B+C+D=E$ and agrees with Box 9 on the Annual Return)	<u>184,694.41</u>

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.

If there are no reconciling items please tell us and provide copies of the year end bank statements.

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	89,484	56,509	-32,976	37%	Yes
Line 4 Staff costs	54,766	63,124	8,358	15%	Yes
Line 5 Loan interest/ capital repayments	7,384	7,221	-163	2%	No
Line 6 Total other payments	255,420	177,494	-77,926	31%	Yes
Line 8 Debtors and stock balances	46,044	1,183	-44,860	97%	Yes
Line 10 Creditors	224,996	0	-224,996	100%	Yes
Line 12 Total fixed assets and long term assets	1,446,935	1,487,938	41,003	2.8%	No
Line 13 Total borrowing	59,250	53,750	5,500	9.3%	No

Suggested layout for explanations

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

Line3.....	£
Figure in This Year column	56,508.69
Figure in Last Year column	89,494.39
Variance (This Year figure less Last Year figure) A positive figure is an increase, a negative figure is a decrease	-32,975.70

Reasons (as many as are applicable)	Amount £
Reason 1 Old Church Rooms were closed to the public for 3 months while a lift was being installed and toilets were refurbished Approx value	30,000
Reason 2	
Reason 3	
Reason 4	
Unexplained	2,975.70
Confirm unexplained amount is less than 15% of Last Year figure	Yes

Please note that explanations should be quantified and should consider one off items in both the current and prior years. Monetary values **must** be attached to each explanation. 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,

Suggested layout for explanations

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

Line4.....	£
Figure in This Year column	63,124.24
Figure in Last Year column	54,766.00
Variance (This Year figure less Last Year figure) A positive figure is an increase, a negative figure is a decrease	8,358.24

Reasons (as many as are applicable)	Amount £
Reason 1 Pay rises at the start of the year in accordance with the Local Government Services Pay Agreement and additional work taken on from accountant retiring	7,358.24
Reason 2 Bonus paid to RFO in recognition of hard work	1,000
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. Monetary values **must** be attached to each explanation. 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:

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- Other payments increased because of park benches and grass cutting,

Suggested layout for explanations

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

Line6.....	£
Figure in This Year column	177,493.99
Figure in Last Year column	255,420.39
Variance (This Year figure less Last Year figure) A positive figure is an increase, a negative figure is a decrease	-77,926.40

Reasons (as many as are applicable)	Amount £
Reason 1 Lift Expenditure during prior year figures approx value	50,000
Reason 2 Toilet refurbishment approx value	20,000
Reason 3	
Reason 4	
Unexplained	7,926.40
Confirm unexplained amount is less than 15% of Last Year figure	Yes

Please note that explanations should be quantified and should consider one off items in both the current and prior years. Monetary values **must** be attached to each explanation. 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,

Suggested layout for explanations

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

Line8.....	£
Figure in This Year column	1,183.48
Figure in Last Year column	46,043.61
Variance (This Year figure less Last Year figure) A positive figure is an increase, a negative figure is a decrease	-44,860.13

Reasons (as many as are applicable)	Amount £
Reason 1 Process changed to invoices being raised date of booking to be paid before date of event	40,000.00
Reason 2	
Reason 3	
Reason 4	
Unexplained	4,860.13
Confirm unexplained amount is less than 15% of Last Year figure	Yes

Please note that explanations should be quantified and should consider one off items in both the current and prior years. Monetary values **must** be attached to each explanation. 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:

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- Other payments increased because of park benches and grass cutting,

Suggested layout for explanations

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

Line10.....	£
Figure in This Year column	0.00
Figure in Last Year column	224,996.35
Variance (This Year figure less Last Year figure) A positive figure is an increase, a negative figure is a decrease	-224,996.35

Reasons (as many as are applicable)	Amount £
Reason 1 No major works to be paid after year end. No building improvements made approx value	70,000
Reason 2 All payments made at the end of the month now.	150,000
Reason 3	
Reason 4	
Unexplained	4,996.35
Confirm unexplained amount is less than 15% of Last Year figure	Yes

Please note that explanations should be quantified and should consider one off items in both the current and prior years. Monetary values **must** be attached to each explanation. 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 2025-26

Annual Report

Please provide the following information:

1. A copy of the Council's Annual Report for 2024-25 published during 2025-26 OR a copy of the 2025-26 annual report OR;
2. A link to the Annual Report on the Council's website (Please note we want a direct link to the report itself and not a link to the Council's homepage).

Budget monitoring

Please provide the following information:

1. An explanation of how the Council sets its budget (including consideration of its reserves) and how it monitors income and expenditure against that budget.

Internal audit

Please provide the following information:

1. A copy of the agreed terms of reference for internal audit for 2025-26; AND
2. Where the Council has received a detailed, written report in addition to the report included on the annual return, a copy of the detailed report. If there is no report, please tell us this.