

**11 Cwrt Morgan
Caerwent
CALDICOT
MON
NP26 5QZ**

12th January 2021

Dear Councillors

Re: External Audit Report for the Year Ending 31/03/2020

The Audit Report from the external auditors for the Audit year ending 2019/2020 was finally received on 22nd December 2020. I have forwarded a copy to Catherine, which she in turn will forward onto you all.

As you will see there are three issues arising from the audit and my responses are as follows:-

RFO certification after approval by council

Due to the Pandemic and the severe restrictions it placed upon us, holding meetings faced to face were impossible, which had knock on affects for our end of year accounting procedures. On completion of the internal audit, the audited accounts together with a copy of the annual return were emailed to the RFO, who in turn submitted the accounts at a meeting of the RCC for approval on 24.06.2020 Two separate agenda items were placed on the finance agenda –

- 1 To accept the internal audit report and detailed accounts as at 31/03/2020.
- 2 To approve the Annual Return
Following which a meeting was arranged for the 29.06.2020 between the Chairman and RFO to sign off the annual return for the year ending 31/03.2020. Having duly signed off all the necessary documents they were then forwarded to the External Auditors, namely BDO LLP on 1ST July 2020 for the external audit inspection.

Reserves - As you are aware our reserves have grown considerably in recent years, due in part to income received from the Sports Pavilion and Car Park revenue. This was highlighted in my 2019 and 2020 year end accounts and at the 2020 Precept Meeting, with the recommendation that consideration be given to providing much needed new play equipment and ground work on the playing fields, including environmental projects, as well as expenditure on the Sports Pavilion. However, Members need no reminding that the wheels of local government turn very slowly, which in part has caused the delay of planned expenditure and the unprecedented disruption of council business due to the Pandemic. Whilst the reserves remain high at the present time, it is hoped the planned expenditure will be completed before 31/03/2022, thus reducing the reserves. As I understand it a certain amount of expenditure has already begun and will be reflected in the current financial year – 2020/2021.

Minor Issues - The accounts show that total funds at the end of 31/03/2020 were **£68518.68**. Total funds recorded on the Annual Return were **£68519.00**. Explanation as follows – when the pence figure is 50p and below it is calculated down, above 50p it is calculated up. Hence the difference.

I trust you are happy with the final outcome of the 2019/2020 Audit. It has been a long time coming and has dragged on inordinately. I have spoken to Catherine and she will complete the remaining paperwork to bring the audit to a conclusion as set out in the guidelines. The content of this letter is my last remaining act and concludes my duties and responsibilities to RCC.

Sending all good wishes for the continued success of the Community Council and kind regards to you all

Maureen F Williams

Maureen E Williams
Retired RFO - RCC