The Auditor General is independent of the National Assembly and government. He examines and certifies the accounts of the Welsh Government and its sponsored and related public bodies, including NHS bodies. He also has the power to report to the National Assembly on the economy, efficiency and effectiveness with which those organisations have used, and may improve the use of, their resources in discharging their functions.

The Auditor General also audits local government bodies in Wales, conducts local government value for money studies and inspects for compliance with the requirements of the Local Government (Wales) Measure 2009.

The Auditor General undertakes his work using staff and other resources provided by the Wales Audit Office, which is a statutory board established for that purpose and to monitor and advise the Auditor General.

© Auditor General for Wales 2017

You may re-use this publication (not including logos) free of charge in any format or medium. If you re-use it, your re-use must be accurate and must not be in a misleading context. The material must be acknowledged as Auditor General for Wales copyright and you must give the title of this publication. Where we have identified any third party copyright material you will need to obtain permission from the copyright holders concerned before re-use.

For further information, or if you require any of our publications in an alternative format and/or language, please contact us by telephone on 029 2032 0500, or email info@audit.wales. We welcome telephone calls in Welsh and English. You can also write to us in either Welsh or English and we will respond in the language you have used. Corresponding in Welsh will not lead to a delay.

Mae’r ddogfen hon hefyd ar gael yn Gymraeg.
While progress has been made during 2016-17, there remains scope for local councils to develop and improve their governance and management of increasing sums of public money

1 Local councils in Wales manage increasing sums of public money and assets and, as this is likely to increase in the future, they need to ensure they have robust accountability arrangements in place

Local councils’ annual income and expenditure continue to increase, with a greater proportion of expenditure financed from rising council taxes
Local councils’ reserves are increasing each year and now total over £41.5 million

2 There continues to be scope for local councils in Wales to improve the timeliness with which they publish their audited annual accounts, and the quality of the annual returns submitted for audit

Over 80 councils failed to comply with the statutory timetable for publishing the audited accounting statements
Councils frequently submit annual returns that are incomplete or contain simple errors

3 Local councils in Wales continue to receive avoidable qualified audit opinions but councils are taking steps to address some of the more common issue

Auditors issue ‘qualified’ audit opinions when councils fail to comply with their statutory responsibilities
Over 170 individual councils received a qualified audit opinion for 2016-17
It is encouraging that a number of councils are addressing the most common problems that lead to qualified audit opinions
4 A significant number of local councils demonstrate a lack of understanding of the governance framework within which they operate and do not comply with their statutory responsibilities

Many councils are unable to provide evidence that they have adopted a Code of Conduct for Members

Although there has been a significant increase in the numbers of councils with websites, 108 councils do not have adequate arrangements in place to comply with the requirements of the Local Government (Democracy) (Wales) Act 2013

5 Over 50 local councils do not have adequate arrangements in place to manage taxation of officers’ pay

Where local councils employ paid staff they must normally register with HM Revenue and Customs as an employer

Over 50 councils did not have arrangements in place to manage the taxation of officers’ pay during 2016-17 and other councils only put arrangements in place during the year

6 My audit programme for 2017-18 to 2020-21 will continue to focus on areas where there is scope for local councils to improve their financial management and governance and will include a national study on the effectiveness of internal audit

For the 2017-18 audit, auditors will focus on how councils manage their reserves

My 2017-18 audit will consider how councils comply with legislative requirements related to gratuity payments and grants paid under the ‘free resource’ of section 137 of the Local Government Act 1972

In 2018, I propose to undertake a national study of internal audit at local councils to identify whether or not it is adequate and effective, and to identify good practice that can be shared across the sector as a whole

Looking forward to 2018-19 and beyond, my audit programme for local councils will continue to look at common issues arising during the annual audit
Appendices

Appendix 1 – Councils with overdue accounts as at 30 November 2017

Appendix 2 – Councils with annual income/expenditure greater than £200,000
While progress has been made during 2016-17, there remains scope for local councils to develop and improve their governance and management of increasing sums of public money

1 There are over 730 town and community councils in Wales. In some cases, these councils jointly provide services through joint committees established for specific services, usually burial services. There are nine such joint committees in Wales. Collectively, this report refers to these bodies as local councils.

2 This is my sixth annual report summarising issues identified by external auditors during their statutory audit of local councils in Wales. My new audit arrangements, introduced in 2015-16, are intended to help local councils develop and improve their financial management and governance arrangements over time.

3 The outcomes of my audit work in this second year of the revised audit approach indicate that many councils have still not grasped the requirements of the new arrangements.

4 This report summarises the outcomes of audit work completed to 30 November 2017, two months past the statutory deadline for the publication of the 2016-17 audited accounts. As at 30 November, 701 out of 743 (94%) audits had been completed.

5 This report has three main sections.

6 Part 1 provides commentary on the increasing amount of public money and assets managed by local councils across Wales and the importance of demonstrating effective stewardship and management of these resources.

7 Parts 2 to 5 report on the work undertaken by auditors on my behalf and identifies a number of commonly occurring audit concerns across the sector. In some cases, auditors identified serious deficiencies within individual local councils. This section of the report draws attention to these issues so that local councils can consider if there are lessons they can learn from others and use this information to develop their own arrangements.
Part 6 sets out my future audit programme which has been informed by the issues that auditors identified during the 2016-17 audit and wider developments affecting local councils. In my report on the outcomes of the 2012-13 audit, I committed to publishing in advance the specific areas that auditors will focus on in the following year’s audit. This allows local councils to identify areas where they need to develop their arrangements and to take any required action. This section of the report outlines the areas I plan to focus on over the next four years.

My overall conclusions from the 2016-17 audits are set out below.

Local councils in Wales manage increasing sums of public money and assets, and as this is likely to increase in the future, they need to ensure they have robust accountability arrangements in place.

Local councils’ annual income and expenditure have increased by 8% since 2014-15. Local councils’ reserves are increasing each year and at 31 March 2017, totalled over £41.5 million. As at 31 March 2017, local councils managed long-term assets worth over £215 million.

There continues to be scope for local councils in Wales to improve the timeliness with which they publish their audited annual accounts and the quality of the annual returns submitted for audit.

Over 80 councils failed to comply with the statutory timetable for publishing the audited accounting statements. Councils frequently submit annual returns that are incomplete or contain simple errors.

Local councils continue to receive avoidable qualified audit opinions.

Auditors issue ‘qualified’ audit opinions when councils fail to comply with their statutory responsibilities. Over 170 individual councils received a qualified audit opinion for 2016-17. It is, however, encouraging that a number of councils are beginning to address the most common problems that lead to qualified audit opinions.
A significant number of local councils demonstrate a lack of understanding of the governance framework within which they operate and do not comply with their statutory responsibilities.

Many councils are unable to provide evidence that they have adopted a Code of Conduct for Members. Although there has been a significant increase in the numbers of councils with websites, over 100 councils do not have adequate arrangements in place to comply with the requirements of the Local Government (Democracy) (Wales) Act 2013. Over 50 local councils do not have adequate arrangements in place to manage the taxation of officers’ pay.

My audit programme for 2017-18 to 2020-21 will continue to focus on areas where there is scope for local councils to improve their financial management and governance, and will include a national study on the effectiveness of internal audit.

For the 2017-18 audit, auditors will focus on how councils manage their reserves and how councils comply with legislative requirements related to gratuity payments and grants paid under section 137 of the Local Government Act 1972. In 2018, I propose to undertake a national study of internal audit at local councils to assess adequacy and effectiveness, and to identify good practice that can be shared across the sector as a whole.

Looking forward to 2018-19 and beyond, my programme will continue to look at common issues arising during the annual audit. For those councils subject to specific requirements of the Well-being of Future Generations (Wales) Act 2015, I will review the arrangements made to prepare reports, setting out the progress made in meeting the local objectives included in the relevant local wellbeing plan.
Part 1

Local councils in Wales manage increasing sums of public money and assets and, as this is likely to increase in the future, they need to ensure they have robust accountability arrangements in place.
Local councils’ annual income and expenditure continue to increase, with a greater proportion of expenditure financed from rising council taxes

Local councils’ income in Wales has increased by over £7 million since 2014-15 to £53.5 million in 2016-17 and 75% of this is raised from council tax

1.1 Local councils raise income either through setting a precept, by charging for goods and services, by claiming grants or disposing of long-term assets.

1.2 A precept is a peremptory order to the unitary authority to pay a specific sum of money to the local council. The amount of the precept is divided equally between the council-tax payers of the community and is paid in full to the local council.

1.3 Councils also raise funds by charging for goods and services provided by the local council. Charges may typically be made for:
   a Use of village halls/community centres owned and managed by the local council
   b Burial fees where the local council is a burial authority
   c Hire charges for sports facilities
   d Car-parking charges

1.4 Councils may also raise funds for investment in long-term assets by applying for grants, drawing down loans or disposing of long-term assets. Usually, the use of these funds will be restricted to specific purposes.

1.5 Overall, local councils’ income has increased by over £7 million since 2014-15.
1.6 In 2016-17, local councils in Wales raised over £40 million from council-tax payers through their precepts. This represents 75% of total income compared with 72% in both 2014-15 and 2015-16.

1.7 In total, in 2016-17, local councils in Wales raised over £13.5 million from sources other than their precept compared with £13.7 million in 2015-16. Councils have made little progress since 2014-15 in respect of income generation and in 2016-17 raised less money than in 2015-16 from fees and charges.

---

1 2016-17 data is based on actual data from accounts submitted by 708 bodies (95%). Data for a further 34 bodies has been estimated based on prior-year accounts. No data is available for one council.
1.8 The reduction in ‘other income’ in 2016-17 was offset by an increase in precepts raised by local councils. This means that an increasing proportion of the total expenditure of local councils is being met through council tax. In my report on Charging for services and generating income by local authorities in November 2016, I commented on how unitary authorities pursue options to generate income. Local councils may find that report helpful as they seek to develop the provision of new services.

Since 2014-15, local councils’ expenditure has increased by £6 million to over £49.6 million including almost £16 million in staff costs.

1.9 Local councils have a range of statutory powers and functions upon which they may lawfully incur expenditure. These include powers related to:

a appearance of villages, including, for example, key buildings and sites, good design and roadside verges;

b open-air and exercise, including, for example, village greens, protection of commons, recreational facilities, pleasure grounds and public walks, swimming pools and facilities for countryside visitors;

c gatherings including powers related to tourism, entertainments and the arts, halls and centres and twinning;

d public lighting and crime prevention, including for example, surveillance;

e ownership and provision of allotments;

f health, including public conveniences, litter and graffiti and water and pond drainage;

g communication, including:

– right-of-way works to footpaths and bridleways;

– shelters;

– seats;

– vehicle parks and cycle racks; and

h powers related to the dead, for example, provision of a cemetery.
Exhibit 2: increase in local-council expenditure between 2014-15 and 2016-17

Local-council expenditure has increased by over £6 million since 2014-15.

1.10 Overall, local councils’ expenditure has increased by over £6 million (16%) since 2014-15.

1.11 Local councils employ staff to administer their activities. In many cases, the council employs only one member of staff, the council clerk. However, larger councils may employ several members of staff undertaking activities such as administration or grounds maintenance.
Exhibit 3: number of councils spending over half of their annual expenditure on staff costs

Around 10% of local councils spend more than half of their annual expenditure on staff costs.

Source: Wales Audit Office analysis

1.12 Expenditure for the sector as a whole has increased each year since 2014-15.
1.13 Thirty-two per cent of all local-council expenditure relates to staff costs including salaries, employer national insurance contributions and employer pension contributions. In 2016-17, local councils spent almost £16 million on staff costs out of total expenditure of over £49 million. Staff costs vary between councils and range from under 10% to over 90% of total expenditure. Around 10% of councils spend over half of their annual expenditure on staff costs.

1.14 In view of the high proportion of overall costs being spent on council administration as opposed to service provision, some councils need to give consideration as to whether they are providing value for money for the local communities they serve.

Local councils’ reserves are increasing each year and now total over £41.5 million

Local council reserves at 31 March 2017 exceeded £41.5 million and have increased by over £10 million or 33% since 31 March 2014

1.15 Local councils hold reserves and balances for a variety of reasons. These include financing unforeseen expenditure and ‘saving’ for future projects. In some cases they are required by law to set money aside for specific purposes. For example, receipts from the disposal of long-term assets may be defined as capital receipts. If so, they may only be used to finance capital expenditure.
1.16 The sums held by local councils as reserves has increased by over £10 million (33%) over the last three financial years, 2014-15 to 2016-17.

1.17 In setting the precept, local councils are required by law to consider the value of funds held as reserves. Local councils must take into account the level of the reserves they hold and whether or not they plan to finance any of their expenditure from reserves or if they need to increase the amounts set aside in reserves.
1.18 In 2016-17, 257 councils maintained or increased their precept, even though in 2015-16 they had spent less money than they had received. The reserves held by most of these councils at 31 March 2016 were greater than the precept they set for 2016-17.

Exhibit 5: local-council income expenditure and reserves

Each year since 2014-15, local councils' annual income has exceeded expenditure.

Source: Wales Audit Office analysis
1.19 Although expenditure has been increasing, each year since 2014-15, local councils in Wales have raised more money than they have spent. This has led to an overall increase in reserves in 2016-17 of over £2.4 million, an increase of 6% compared with 2015-16.

1.20 I expect income and expenditure across the sector to increase over time as local councils begin to manage more services and assets transferred to them by the unitary authorities. However, in times of austerity, it is important that councils do not add unnecessarily to the burden placed on council-tax payers, by raising more income through council tax than is necessary to deliver council services and administer their affairs.

1.21 The above statistics suggest that some local councils need to give very careful consideration as to whether they need to hold the level of reserves they currently have, and whether some of the balances held should be used to finance current expenditure, enabling a lower precept to be set.

1.22 I propose to examine in future audits, the reasons why councils are holding reserves and why income exceeds expenditure annually.

**Local councils managed long-term assets worth over £215 million as at 31 March 2017**

1.23 Local councils own various categories of long-term assets. These include:

a. Land and buildings – offices, halls, village greens, allotments, cemeteries and parks and sports fields

b. Outdoor equipment and facilities – public conveniences, playground equipment, bus shelters and seating

c. Internal fixtures and fittings – IT equipment and furniture

d. Civic regalia

1.24 The value of these assets is reported in the councils’ annual returns. As unitary authorities transfer assets to local councils, the value of assets held by councils is increasing. Further significant increases are likely in the future, and councils need to ensure that they have adequate and appropriate asset-management arrangements in place to manage and protect these public resources.
Exhibit 6: long-term and fixed assets

Since 2014-15, long-term assets managed by local councils have increased in value from £201 million to £215 million.

Source: Wales Audit Office analysis
Part 2

There continues to be scope for local councils in Wales to improve the timeliness with which they publish their audited annual accounts, and the quality of the annual returns submitted for audit.
Over 80 councils failed to comply with the statutory timetable for publishing the audited accounting statements

The Accounts and Audit (Wales) Regulations 2014 set out a clear timetable for the publishing of local councils’ accounting statements

2.1 Regulation 15 of the Accounts and Audit (Wales) Regulations 2014 sets out the timetable for the preparation and approval of the annual accounts:

a the council’s responsible finance officer (RFO) must prepare and certify that the accounts properly present the council’s receipts and payments or present fairly the council’s financial position and income and expenditure. The certification is evidenced by the RFO signing and dating the accounting statements. Provision for signature and date are made in the annual return.

b the members meeting as a whole must consider the accounting statements and following that consideration, approve the accounting statements for submission to the auditor by a resolution of the body; and following approval, ensure that the accounting statements are signed and dated by the person presiding at the meeting at which that approval was given.

c these actions must be completed by 30 June following the end of the financial year.

d the council must also publish the accounting statements along with the auditor’s certificate, opinion or report by no later than 30 September after the end of the financial year.

Over 80 councils failed to adhere to the timetable set out in the Regulations for publication of audited accounts

2.2 Auditors identified 81 councils which had failed to meet their publishing obligations under the Regulations. Most of these councils have annual income and expenditure of less than £60,000. All these councils are named in Appendix 1. I recommend that these councils review their arrangements to ensure this timetable is met in future.

2.3 It is disappointing to note that 21 councils failed to submit their annual accounts for audit before 30 November 2017, some two months after the councils were required to publish audited accounts and five months after the accounts were required to be approved by the councils. I intend to follow up on each overdue council in 2018. I will also consider whether or not I should issue a report in the public interest at individual councils, in respect of the failure to submit their 2016-17 accounts for audit by the due date.
Councils frequently submit annual returns that are incomplete or contain simple errors

2.4 All councils should ensure that the annual return is fully completed and checked before it is presented for audit. Additional audit costs are incurred when auditors need to send the annual return back to councils for correction or completion.

Auditors identified errors in the accounting statements of 86 councils

2.5 The accounting statements required for local councils in Wales are simple both in structure and accounting requirements. Auditors reported that 86 councils made simple mistakes in completing their accounting statements.

2.6 While this is a significant improvement over the 175 councils that made similar errors in 2015-16, 30 councils made simple mistakes in both the 2015-16 and the 2016-17 accounting statements.

2.7 Examples of the simple errors identified by auditors include:

a arithmetical errors. In some cases, the accounting statements did not add up. Often this is as a result of the figures being rounded to the nearest pound. However, it is important that councils ensure that the accounting statements are correctly presented.

b incorrect treatment of unpresented transactions. At the year-end, there will often be timing differences between transactions being recorded in a council’s cashbook and the transaction clearing through the council’s bank account. As part of their year-end accounts preparation, councils will reconcile the cashbook to the bank statement. Under proper accounting practice, reconciling items are not adjusted for at the year-end. Instead they are reversed if necessary in the following year. However, too many councils either amend the prior-year or the current-year accounts to remove the impact of uncleared transactions. This has the effect of misstating the accounting statements.

c exclusion of bank accounts and transactions. In some cases, poor record keeping by councils means that balances held in some bank accounts and transactions linked to those accounts are excluded from the accounting statements for the year. This results in understatements of the council’s balances and misstatement of its income and expenditure for the year. The lack of internal control also puts at risk the funds held by the council.
incorrect disclosure of asset values. Other common errors identified included the assets figure in the accounting statements not agreeing with the asset register or in-year additions being excluded from the accounting statements, comparative figures being amended and thereby not agreeing to the prior-year’s audited accounts, cost and income misclassifications as well as rounding and casting errors.

inappropriate inclusion of charitable funds. A small number of councils had included charitable fund bank accounts and transactions in the accounting statements, which is a breach of their trustee fiduciary duties. This results in the overstatement of council balances and misstatement of income and expenditure for the year. It also risks the inappropriate use of charitable funds for council purposes and vice versa.

One hundred and seventy-four councils submitted annual returns for audit that had not been fully completed

2.8 The annual return prepared by local councils is designed to be easy to complete and includes guidance on completing the return. Nevertheless, each year auditors identify that many councils do not complete the annual return fully. Common issues identified in 2016-17 include:

a failure to fully complete the annual governance statement. The annual governance statement is set out in two parts. In the first part, the council makes a number of assertions about its general arrangements. In the second part, the council sets out its arrangements related to the Auditor General’s review of themed governance arrangements. This section is to be completed by all councils and is linked to the changes in the audit arrangements for 2016-17. All councils have previously been informed of the changes to the audit arrangements and given prior notice of the themes to be examined for 2016-17. It is therefore disappointing to note that some councils did not complete this section of the annual return. It is important that every council reads and understands the requirements and ensures that they fully complete the annual return.

b failure to include details required by legislation or the Practitioners Guide. In many cases, councils did not complete the details required. This included failure to insert a minute reference to evidence that the council approved the annual return and a failure to include signatures as required by the Accounts and Audit (Wales) Regulations.
Local councils in Wales continue to receive avoidable qualified audit opinions but councils are taking steps to address some of the more common issues.
Auditors issue ‘qualified’ audit opinions when councils fail to comply with their statutory responsibilities

3.1 The Auditor General’s work is designed to discharge his responsibilities under the Public Audit (Wales) Act 2004.

3.2 Auditors review the accounting statements included in the annual return and the assertions made in the annual governance statement, to come to a conclusion on whether or not:

a there is evidence that the accounting statements have been properly prepared; and

b the council has adequate arrangements in place to secure economy, efficiency and effectiveness in its use of resources.

3.3 Auditors measure the council’s arrangements against its statutory responsibilities and issue ‘qualified’ opinions when they identify non-compliance. This means that except for those issues referred to by the auditor, the auditor has not identified evidence to suggest the council does not have proper arrangements in place. However, all audit qualifications are avoidable if councils have appropriate arrangements in place to comply with their statutory responsibilities.

3.4 Auditors will also report on other matters that have come to their attention during the course of the audit. Councils should consider these matters so they can improve their internal arrangements in light of the comments made.

Over 170 individual councils received a qualified audit opinion for 2016-17

3.5 I issue an unqualified audit opinion when no matters come to my attention during the audit that suggest the council has failed to comply with statutory or regulatory requirements. My audit may also identify other matters that, although they do not indicate a failure to comply with a statutory or regulatory requirement, need to be drawn to the attention of the council.
Exhibit 7: numbers of councils receiving a qualified audit opinion in 2016-17

In 2016-17, 25% of councils received a qualified audit opinion, 35% received an unqualified opinion but with other matters drawn to their attention and the remaining 40% received an unqualified opinion with no further matters for their consideration.

Source: Wales Audit Office analysis
It is encouraging that a number of councils are addressing the most common problems that lead to qualified audit opinions

3.6 Auditors issued qualified opinions for a number of reasons in 2016-17. The most common of these were in relation to assertions made by the councils that they had complied with their responsibilities in relation to:

a. approving the accounting statements in accordance with the Accounts and Audit (Wales) Regulations 2014;

b. putting in place arrangements for the management of risk as required by the Accounts and Audit (Wales) Regulations 2014; and

c. keeping proper accounting records and preparing the accounting statements in accordance with the Accounts and Audit (Wales) Regulations 2014.

Fifty councils did not prepare and approve their annual accounting statements in accordance with the requirements of the Accounts and Audit (Wales) Regulations 2014 compared with 74 in 2015-16

3.7 Regulation 15 of the Accounts and Audit (Wales) Regulations 2014 sets out the timetable for local councils to prepare and approve the accounting statements.

Exhibit 8: the statutory approval process for local councils’ accounts

The Responsible Financial Officer (RFO) must certify the accounting statements before the Council approves the accounting statements and the annual governance statement.

RFO certifies the accounting statements by 30 June before approval by the Council

Following the RFO certification, the Council approves the annual return including the accounting statements, by 30 June
3.8 Auditors identified that of those councils that have submitted accounts for audit, 50 councils did not adhere to this timetable for the 2016-17 accounts. It is likely that this figure will increase as the overdue accounts, referred to earlier, are submitted and the date of approval becomes known. This compares with 74 councils which did not comply with requirements for 2015-16.

3.9 Auditors identified cases where:

a the RFO only certified the accounting statements after the Council had approved the annual return.

b either or both the RFO or the Council had failed to discharge their responsibilities by 30 June. In some cases this was due to individual councils’ meeting cycles, and could have been addressed by the council altering their normal meeting schedule.

Fewer councils received qualified audit opinions in 2016-17 for failure to make proper arrangements for the management of risk compared to 2015-16

3.10 Regulation 5 of the Accounts and Audit (Wales) Regulations 2014 sets out the council’s responsibility to ensure that there is a sound system of internal control which facilitates the effective exercise of that body’s functions and which includes arrangements for the management of risk.

3.11 This is a recurring issue for the sector and has been identified in each of the Auditor General’s reports on local-council financial management since 2011-12.

3.12 In 2016-17, auditors issued qualified opinions for councils’ failure to put in place arrangements to manage risk at 29 councils. In 2015-16, 55 councils received audit qualifications related to risk management.

Auditors disclaimed to give an opinion or provided an adverse opinion on whether the accounts had been properly prepared at 11 councils

3.13 Regulation 14 of the Accounts and Audit (Wales) Regulations 2014 requires local councils to prepare accounts in accordance with proper practices.
3.14 Auditors disclaim to give an opinion, ie they are unable to conclude that the accounts have been properly prepared, and/or where the council is unable to provide sufficient evidence that the accounts are complete and accurate. Auditors issue an adverse opinion when the accounts presented for audit are inaccurate or there is sufficient evidence to demonstrate that they are misstated.

3.15 In 2016-17, auditors disclaimed or issued an adverse opinion at 11 councils. In 2015-16, auditors were unable to obtain sufficient audit evidence to conclude that the accounts had been properly prepared at 10 councils.

3.16 Examples of the difficulties encountered by auditors leading to this conclusion included:

a. insufficient information to support the value of fixed assets;

b. council unable to explain how individual entries in the accounts, eg total payments, were calculated leading to unresolved discrepancies; and

c. councils unable to provide a properly completed bank reconciliation.

3.17 While this issue affects only a small number of councils each year, it is important that all councils ensure they understand their accounts and ensure that those accounts fairly present the income and expenditure/receipts and payments and balances held at the year-end.
Part 4

A significant number of local councils demonstrate a lack of understanding of the governance framework within which they operate and do not comply with their statutory responsibilities.
Many councils are unable to provide evidence that they have adopted a Code of Conduct for Members

All local councils must adopt a Code of Conduct for Members and individual members must agree to abide by the Code

4.1 An essential part of any body’s governance framework is the behaviour demonstrated by the members of that body. The Local Government Act 2000 created a new ethical framework for local government in Wales. It created a power for the Welsh Ministers to issue a model code of conduct to apply to members and co-opted members of all relevant authorities in Wales.

4.2 Local councils are required to adopt the Code in its model form in its entirety, but can make additions to the Code, provided these are consistent with the Model. The locally adopted Code is then integral to the individual council’s governance framework.

4.3 For the 2016-17 audit, auditors considered how the Code has been adopted and sought evidence that:

a the council has adopted a Code of Conduct;

b individual members have agreed (on acceptance of office) to abide by the Code; and

c the council is maintaining a register of members’ interests.

Sixty-five councils are unable to demonstrate they have adopted a Code of Conduct for Members and/or that members have agreed to abide by the Code

4.4 Auditors found that 65 councils have not adopted a Code of Conduct for Members.

4.5 Equally as worrying is that a number of councils have ‘adopted’ as their Code of Conduct, the Public Services Ombudsman’s publication *The Code of Conduct for members of local authorities in Wales – Guidance from the Public Services Ombudsman for Wales for members of community councils*. This is a guidance document which provides an overview of the Model Code of Conduct (‘the Code’) introduced in 2008. It is intended to help members to understand their obligations under the Code. However, it is not a Code of Conduct in and of itself.
Ninety-nine councils are unable to provide evidence that they maintain and publish a register of interests as required by the Local Government Act 2000

4.6 While carrying out their duties, members need to decide if they have a personal interest, and if so, whether they need to disclose it. Where they do have an interest that should be disclosed, the fact that there is an interest and the nature of that interest should be disclosed at meetings, when making written representations, including emails, and when making oral representations. This disclosure is required even if the interest is recorded on the council’s register of interests.

4.7 Councils are required by section 81 of the Local Government Act 2000 to maintain a register of disclosed interests and to publish that register electronically.

4.8 My auditors found that 99 councils do not maintain a register of interests and/or do not publish the register electronically. In many cases, while members routinely declare interests at meetings, the council has failed to recognise that it must also maintain and publish a register.

Although there has been a significant increase in the numbers of councils with websites, 108 councils do not have adequate arrangements in place to comply with the requirements of the Local Government (Democracy) (Wales) Act 2013

4.9 It is now common practice amongst large sections of the public to use the internet, email and social networking sites to obtain information about their local area, identify available services and contact public bodies. In turn, public bodies routinely publish information relating to their business, structure and functions in electronic format. A 2010 Welsh Government survey of community and town councils in Wales found that around half of town and community councils had a website.

4.10 Although town and community councils are, in the main, relatively small organisations, it is no longer considered appropriate that information about their proceedings is only made available in hard copy and placed on notice boards at various points in their area. To have relevance to the lives of their electorate, it is now essential that information about community and town councils is made available on the internet, and councils can be contacted by email and by other electronic means.
4.11 The Local Government (Democracy) (Wales) Act 2013 (the 2013 Act) requires every local council to make available their contact and membership details, and records of their proceedings via the internet. The 2013 Act also requires every council to publish their register of members’ interests, public notices and audited accounts electronically. The changes introduced by the 2013 Act enhance accountability of local councils to their electorate. In March 2013, the Welsh Ministers released £1.25 million of funding to county and county borough councils to support local democracy and public engagement. Part of this was to be used to assist in the development of websites for town and community councils, as provided for in the 2013 Act. Each principal council received funding equivalent to £500 for every town and community council within their area. Allocation of this funding was left to the discretion of the unitary authorities.

4.12 My 2016-17 audit focused on how local councils are complying with the requirements of the 2013 Act. The results have been mixed.

4.13 My auditors found that 85% of councils have an active website on which they publish the information required to be published electronically by the 2013 Act. This is a significant improvement on the findings of the Welsh Government’s 2010 survey.

4.14 Auditors found, however, that 108 councils do not have their own website and have not made other arrangements to publish the statutorily required information electronically. In some cases, websites have been set up but have not been maintained. For example, one large town council has established a website but the most recent information on the website was published in 2013.
Part 5

Over 50 local councils do not have adequate arrangements in place to manage taxation of officers’ pay
Where local councils employ paid staff they must normally register with HM Revenue and Customs as an employer

5.1 Organisations normally need to register as an employer with HM Revenue and Customs (HMRC) when they start employing and paying staff. Local councils usually have only one paid officer, the Clerk. The majority of these clerks work part-time, their hours varying from one to two days per week to a few hours per quarter in connection with Council meetings.

5.2 However, the Clerk is an office holder and emoluments received, whether described as an honorarium, a salary, a payment towards expenses or a combination of these, are chargeable as employment income and there is liability for Class 1 National Insurance Contributions (NICs).

5.3 As employers, local councils normally have to operate ‘Pay As You Earn’ (PAYE) arrangements as part of their payroll. PAYE is the HMRC system to collect income tax and national insurance from employment. There are however exemptions from this requirement. For example, employers do not need to register for PAYE if no employees are paid £112 or more a week, get expenses and benefits, have another job or get a pension. However, all employers must keep payroll records.

Over 50 councils did not have arrangements in place to manage the taxation of officers’ pay during 2016-17 and other councils only put arrangements in place during the year

5.4 Auditors identified 54 councils that did not have arrangements in place to manage the taxation of officers’ pay in 2016-17. Auditors also identified cases where councils only established arrangements during 2016-17.

5.5 In some cases, this has resulted in income tax and national insurance contributions not being deducted as required under the HMRC PAYE arrangements. In consequence, some councils have incurred unnecessary fines and/or interest payments charged by HMRC due to their failure to pay the tax due on time.
Part 6

My audit programme for 2017-18 to 2020-21 will continue to focus on areas where there is scope for local councils to improve their financial management and governance and will include a national study on the effectiveness of internal audit.
For the 2017-18 audit, auditors will focus on how councils manage their reserves

6.1 Collectively, in 2016-17, local councils increased the sums held in reserves by £2.5 million to £41.5 million because overall councils spent less money than they received through council tax and other income sources.

My report on the 2015-16 accounts identified that councils commonly fail to take their reserves into account when setting their annual budget and precept

6.2 Local councils have no general power to hold large sums as financial reserves. In some cases, councils must set aside certain funds as reserves. These include capital receipts which are not available to support the council’s day-to-day costs.

6.3 The Local Government Finance Act 1992 specifically requires local councils to take reserves into account when setting their precept. Auditors examined the budgets set by councils and noted that one of the most common failings was that individual councils took no account of the sums held in reserves.

6.4 In 2016-17, 693 local councils raised a precept equal to or greater than that raised in 2015-16.

My 2017-18 audit work will review how councils take their reserves into account when setting budgets and how they plan to use their accumulated reserves to provide services to tax payers

6.5 My auditors will seek evidence from the councils that they:
   a took accumulated reserves into account when setting the budget for 2017-18 and 2018-19; and
   b have plans in place to manage their accumulated reserves.
My 2017-18 audit will consider how councils comply with legislative requirements related to gratuity payments and grants paid under the ‘free resource’ of section 137 of the Local Government Act 1972.

In 2017-18, I will follow up on how councils use the powers available under section 137 of the Local Government Act 1972.

6.6 In 2015-16, I reported on how councils made use of the ‘free resource’ available under section 137 of the Local Government Act 1972.

6.7 Local councils are statutory bodies and only have such powers that are conferred on them by statute. This means that they must be able to identify a specific statutory power for each of their actions. Notwithstanding this, subject to some formalities, section 137 of the Local Government Act 1972 gives local councils a general power to spend up to a certain limit in each financial year for any purpose which, in its opinion, is in the interests of or will directly benefit the area or its inhabitants. However, where the council has a specific statutory power, it should be applied rather than section 137.

6.8 Auditors noted that councils regularly make payments relying on section 137 when a more appropriate, specific power is available.

6.9 For the 2017-18 audit, auditors will seek evidence that expenditure powers available under section 137 of the 1972 Act have been appropriately applied.

Auditors reported that several councils currently maintain gratuity funds for the benefit of officers of the councils.

6.10 Local councils have given gratuity payments to clerks on retirement. However, these payments were the gift of the employer and could only be awarded at the point of the employee’s departure. The statutory basis for such payments was set out in the Local Government (Discretionary Payments) Regulations 1996.

6.11 The Discretionary Payments Regulations were amended at various times until their eventual repeal in January 2012. Therefore, at present, there is no statutory basis for making a gratuity payment unless employees had a right to receive such a payment specified in their contract of employment pre-dating the repeal of the legislation.
6.12 Notwithstanding this, auditors reported that a number of councils currently maintain gratuity funds and may hold such funds in separate bank accounts. Auditors have also identified overpayments of gratuities to individual officers.

6.13 For the 2017-18 audit, auditors will seek to confirm that local councils are acting within the law in respect of gratuity arrangements.

In 2018, I propose to undertake a national study of internal audit at local councils to identify whether or not it is adequate and effective, and to identify good practice that can be shared across the sector as a whole.

An effective internal audit function is an essential part of any council’s system of internal control.

6.14 Internal audit forms an important part of the internal control arrangements that each council is required to have in place and review annually.

6.15 An adequate and effective internal audit can be evidenced by:

a. clear and comprehensive terms of reference for the internal auditor setting out the scope of the work to be undertaken;

b. internal audit documentation of audit procedures undertaken; and

c. a detailed report provided to the council setting out the results and conclusions of the internal auditor.

There are a large number of internal auditors across Wales, although three auditors provided services to over a quarter of all councils.

6.16 There are over 330 internal auditors engaged to provide an internal-audit service to community councils. The majority provide a service to only their local community council. In some cases, auditors provide services to more than one council. My analysis of the 2016-17 accounts identified three individual auditors providing services to 27% of all councils. These councils spend about 40% of all local-council expenditure in Wales.
Exhibit 9: internal-audit providers

Three internal auditors provide audit services to 27% of all local councils in Wales.

Source: Wales Audit Office analysis
My previous and current audit work has identified a number of concerns over the adequacy and effectiveness of internal audit across the sector

6.17 The 2015-16 external audit examined whether or not councils had agreed terms of reference with their internal auditor.

6.18 In my report on Financial Management and Governance in Community Councils 2015-16, I reported that many community councils will find it difficult to demonstrate that they have an adequate and effective system of internal audit in place and receive full value from that service. I identified that 64% of councils did not have complete terms of reference and 32% did not receive a report from the auditor. These two issues are likely to be related: deficiencies in reporting arrangements may often arise from deficiencies in the terms of reference between the two parties. My report also drew attention to inconsistencies between internal auditors’ findings and those of the external auditor.

6.19 My work on the 2016-17 accounts has reinforced my concerns set out in my 2015-16 report. I have looked in detail at the work of internal audit at a small number of councils and I found the quality of the work to be of a poor standard.

6.20 I identified that the conclusions reported by internal audit were inconsistent with evidence obtained from the council by external auditors. External auditors have examined the internal audit records and identified significant gaps in the evidence that would be required to support the conclusions drawn. In some cases it was clear that no or insufficient internal audit work was completed to support the conclusions reached.

6.21 In view of this, I am concerned that the matters identified may be symptomatic of wider failures within internal audit across the sector.
In 2018, I propose to undertake a national study on internal audit services at local councils to address the question ‘Do town and community councils in Wales have adequate and effective systems of internal audit in place?’

6.22 Undertaking a national study is the most cost effective way of assessing the adequacy of internal audit as a whole and for identifying and disseminating good practice. I propose to undertake a study to address the question ‘Do town and community councils in Wales have adequate and effective systems of internal audit in place?’ My staff are currently developing the scope of the study and initial thoughts on the particular areas to examine would include:

a. Are terms of reference for internal auditors complete and robust?

b. Is the scope of audit work appropriate to the size of councils and the risk to public funds?

c. Are internal audit conclusions supported by sufficient evidence of robust testing by the internal auditor?

d. Are the internal auditor’s findings and conclusions adequately reported to councils?

e. Do councils take appropriate action in response to issues raised by internal auditors?

6.23 The study would examine internal audit work undertaken for the 2015-16 or 2016-17 financial years and consider how councils dealt with recommendations made by internal auditors in the 2016-17 or 2017-18 financial years. I will consult on the proposed study in 2018.
Looking forward to 2018-19 and beyond, my audit programme for local councils will continue to look at common issues arising during the annual audit.

Each year, I identify a number of common or recurring issues as part of my annual audit work and these will be considered as part of the future audit programme.

6.24 As reported above, I continue to identify recurring issues as part of my normal audit work. It is appropriate for me to incorporate themed governance reviews of these issues as part of my annual audit programme.

6.25 The issues identified for review will be those that are commonly identified or those that have a significant potential impact on local councils and their effective use of public funds.

Larger councils are subject to specific duties set out in the Well-being of Future Generations (Wales) Act 2015 and my future programme will incorporate a review of larger councils’ response to the Act.

6.26 Section 40 of The Well-being of Future Generations (Wales) Act sets out the role of local councils in relation to local wellbeing plans. It states that councils with annual income or expenditure over £200,000 for three consecutive years or more are subject to specific but limited duties under the Act.

6.27 In 2016-17, 67 councils had income or expenditure of over £200,000. This number is increasing each year.
Exhibit 10: local councils with annual income or expenditure exceeding £200,000

The number of local councils with annual income or expenditure exceeding £200,000 increased from 64 in 2014-15 to 67 in 2016-17

Source: Wales Audit Office analysis

6.28 51 councils have income or expenditure exceeding £200,000 for each of the last three financial years. The requirements of the Act will now apply to these councils. A further four councils had income or expenditure exceeding £200,000 in both 2015-16 and 2016-17. Appendix 1 includes a complete list of these councils.

6.29 These councils have a specific but limited duty under the Act to take all reasonable steps towards meeting the objectives included in the local wellbeing plan. Each financial year, they must publish a report on the progress they have made in meeting the local objectives.
6.30 The councils I have identified will need to be aware of and plan for discharging their duties. My interaction with councils to date suggests there is a need for increased awareness of the duties under the Act that apply to the sector.

6.31 While the Act does not require me to undertake specific audit work in relation to these duties, I believe it will be relevant and useful to incorporate in my audit programme consideration of these requirements in order to assist these councils and share good practice. I propose to consider the sector’s response to the Act in a proportionate manner by integrating within the existing statutory audit process for 2020-21, an initial review of the reports prepared by local councils. My approach will be proportionate to the scale of the sector and details have yet to be worked out.

My future programme of themed governance reviews is set out in a four-year plan although this may be subject to change as other issues may emerge.

6.32 The objective of the new audit arrangements introduced for 2015-16 is to examine and assess the effectiveness of local councils’ governance arrangements over a period of years. The reviews will focus on recurring themes identified as part of the annual audit cycle and will help councils to improve their arrangements where required over time. Exhibit 11 sets out my current proposed timetable for future governance themes although these may change.

Exhibit 11: future governance themes

My proposed audit programme for future governance themes for local councils will broadly follow a four-year plan although this may change.

<table>
<thead>
<tr>
<th>2017-18</th>
<th>2018-19</th>
<th>2019-20</th>
<th>2020-21</th>
</tr>
</thead>
<tbody>
<tr>
<td>Use of reserves</td>
<td>Compliance with Standing Orders</td>
<td>Arrangements for making</td>
<td>Employment of staff</td>
</tr>
<tr>
<td>Use of section</td>
<td>standing Orders Delegation to</td>
<td>payments</td>
<td>Well-being of Future Generations</td>
</tr>
<tr>
<td>137 of the Local</td>
<td>committees</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Government Act 1972</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gratuity payments</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Appendices
### Councils with overdue accounts as at 30 November 2017

**Exhibit 12: councils with overdue accounts as at 30 November 2017**

<table>
<thead>
<tr>
<th>Council Name</th>
<th>2014-15</th>
<th>2015-16</th>
<th>2016-17</th>
</tr>
</thead>
<tbody>
<tr>
<td>Abergele Joint Burial Committee</td>
<td>–</td>
<td>In progress</td>
<td>Not received</td>
</tr>
<tr>
<td>Aberporth Community Council</td>
<td>–</td>
<td>–</td>
<td>Not received</td>
</tr>
<tr>
<td>Abertillery and Llanhilleth Community Council</td>
<td>In progress</td>
<td>In progress</td>
<td>Not received</td>
</tr>
<tr>
<td>Ammanford Town Council</td>
<td>–</td>
<td>–</td>
<td>Not received</td>
</tr>
<tr>
<td>Betws Garmon Community Council</td>
<td>–</td>
<td>–</td>
<td>Not received</td>
</tr>
<tr>
<td>Bodorgan Community Council</td>
<td>In progress</td>
<td>Not received</td>
<td>Not received</td>
</tr>
<tr>
<td>Bontnewydd Community Council</td>
<td>–</td>
<td>–</td>
<td>Not received</td>
</tr>
<tr>
<td>Cadfarch Community Council</td>
<td>–</td>
<td>In progress</td>
<td>In progress</td>
</tr>
<tr>
<td>Cilcain Community Council</td>
<td>–</td>
<td>–</td>
<td>Not received</td>
</tr>
<tr>
<td>Cornelly Community Council</td>
<td>–</td>
<td>–</td>
<td>In progress</td>
</tr>
<tr>
<td>Cynwyd Community Council</td>
<td>–</td>
<td>Not received</td>
<td>Not received</td>
</tr>
<tr>
<td>Glantwymyn Community Council</td>
<td>–</td>
<td>In progress</td>
<td>In progress</td>
</tr>
<tr>
<td>Llanbrynmair Community Council</td>
<td>–</td>
<td>In progress</td>
<td>In progress</td>
</tr>
<tr>
<td>Llanfairpwl Community Council</td>
<td>–</td>
<td>–</td>
<td>Not received</td>
</tr>
<tr>
<td>Llangadog Community Council</td>
<td>–</td>
<td>–</td>
<td>Not received</td>
</tr>
<tr>
<td>Llangristiulus Community Council</td>
<td>In progress</td>
<td>Not received</td>
<td>Not received</td>
</tr>
<tr>
<td>Llangwm Community Council (Conwy)</td>
<td>–</td>
<td>–</td>
<td>Not received</td>
</tr>
<tr>
<td>Llangynog Community Council (1)</td>
<td>–</td>
<td>–</td>
<td>Not received</td>
</tr>
<tr>
<td>Llansteffan &amp; Llanybri Community Council</td>
<td>–</td>
<td>–</td>
<td>Not received</td>
</tr>
<tr>
<td>Llantilio Pertholey Community Council</td>
<td>–</td>
<td>–</td>
<td>In progress</td>
</tr>
<tr>
<td>Council Name</td>
<td>2014-15</td>
<td>2015-16</td>
<td>2016-17</td>
</tr>
<tr>
<td>--------------------------------------</td>
<td>---------</td>
<td>---------</td>
<td>---------</td>
</tr>
<tr>
<td>Llanwnnen Community Council</td>
<td>–</td>
<td>In progress</td>
<td>In progress</td>
</tr>
<tr>
<td>Machynlleth Town Council</td>
<td>–</td>
<td>In progress</td>
<td>In progress</td>
</tr>
<tr>
<td>Maenclochog Community Council</td>
<td>–</td>
<td>Not received</td>
<td>Not received</td>
</tr>
<tr>
<td>Maesteg Town Council</td>
<td>–</td>
<td>–</td>
<td>Not received</td>
</tr>
<tr>
<td>Northop Hall Community Council</td>
<td>–</td>
<td>–</td>
<td>In progress</td>
</tr>
<tr>
<td>Penally Community Council</td>
<td>–</td>
<td>In progress</td>
<td>In progress</td>
</tr>
<tr>
<td>Pentir Community Council</td>
<td>–</td>
<td>–</td>
<td>In progress</td>
</tr>
<tr>
<td>Pentraeth Community Council</td>
<td>–</td>
<td>–</td>
<td>In progress</td>
</tr>
<tr>
<td>Rhigos Community Council</td>
<td>–</td>
<td>–</td>
<td>In progress</td>
</tr>
<tr>
<td>Rhosyr Community Council</td>
<td>–</td>
<td>–</td>
<td>Not received</td>
</tr>
<tr>
<td>Saltney Town Council</td>
<td>–</td>
<td>–</td>
<td>Not received</td>
</tr>
<tr>
<td>St Ishmael Community Council</td>
<td>–</td>
<td>–</td>
<td>Not received</td>
</tr>
<tr>
<td>Tirymynach Community Council</td>
<td>–</td>
<td>In progress</td>
<td>In progress</td>
</tr>
<tr>
<td>Tywyn Town Council</td>
<td>–</td>
<td>–</td>
<td>In progress</td>
</tr>
<tr>
<td>Whitford Community Council</td>
<td>–</td>
<td>–</td>
<td>In progress</td>
</tr>
<tr>
<td>Ynysawdre Community Council</td>
<td>–</td>
<td>–</td>
<td>Not received</td>
</tr>
</tbody>
</table>
## Appendix 2

### Councils with annual income/expenditure greater than £200,000

Exhibit 13: councils with annual income/expenditure greater than £200,000

<table>
<thead>
<tr>
<th>Council</th>
<th>2014-15</th>
<th>2015-16</th>
<th>2016-17</th>
</tr>
</thead>
<tbody>
<tr>
<td>Abergavenny Town Council</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Aberystwyth Town Council</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Bangor City Council</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Barry Town Council</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Bay of Colwyn Town Council</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Beaumaris Town Council</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Blaenhonddan Community Council</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Brecon Town Council</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Bridgend Town Council</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Buckley Town Council</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Caernarfon Royal Town Council</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Caia Park Community Council</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Caldicot Town Council</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Carmarthen Town Council</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Chepstow Town Council</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Coedffranc Community Council</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Coedpoeth Community Council</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Connah's Quay Town Council</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Conwy Town Council</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Cwmbran Community Council</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Council Name</td>
<td>2014-15</td>
<td>2015-16</td>
<td>2016-17</td>
</tr>
<tr>
<td>-------------------------------------------------</td>
<td>---------</td>
<td>---------</td>
<td>---------</td>
</tr>
<tr>
<td>Haverfordwest Town Council</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Hawarden Community Council</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Holyhead Town Council</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Llandudno Town Council</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Llanedi Community Council</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Llanelli Rural Community Council</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Llanelli Town Council</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Llangennech Community Council</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Llannon Community Council</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Llantrisant Community Council</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Llantwit Fardre Community Council</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Llantwit Major Town Council</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Machynlleth Town Council</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Maesteg Town Council</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Milford Haven Town Council</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Mold Town Council</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Neath Town Council</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Newtown and Llanllwchaiarn Town Council</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Pembrey &amp; Burry Port Town Community Council</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Penarth Town Council</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Pontypool Community Council</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Pontypridd Town Council</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Porthcawl Town Council</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Council</td>
<td>2014-15</td>
<td>2015-16</td>
<td>2016-17</td>
</tr>
<tr>
<td>---------------------------------------------</td>
<td>---------</td>
<td>---------</td>
<td>---------</td>
</tr>
<tr>
<td>Prestatyn Town Council</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Rhosllanerchrugog Community Council</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Rhyl Town Council</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Rogerstone Community Council</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Tonyrefail &amp; District Community Council</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Welshpool Town Council</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Ystradgynlais Town Council</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Cwmaman Town Council</td>
<td>Yes</td>
<td></td>
<td>Yes</td>
</tr>
<tr>
<td>Gwersyllt Community Council</td>
<td>Yes</td>
<td></td>
<td>Yes</td>
</tr>
<tr>
<td>Monmouth Town Council</td>
<td>Yes</td>
<td></td>
<td>Yes</td>
</tr>
<tr>
<td>St Davids City Council</td>
<td>Yes</td>
<td></td>
<td>Yes</td>
</tr>
</tbody>
</table>