



24 Cathedral Road / 24 Heol y Gadeirlan
Cardiff / Caerdydd
CF11 9LJ

Tel / Ffôn: 029 2032 0500

Fax / Ffacs: 029 2032 0600

Textphone / Ffôn testun: 029 2032 0660

info@audit.wales / post@archwilio.cymru

www.audit.wales / www.archwilio.cymru

Please contact us in Welsh or English.
Cysylltwch â ni'n Gymraeg neu'n Saesneg.

Cllr Emlyn Dole
Leader
Carmarthenshire County Council
County Hall
Jail Hill
Carmarthen
SA31 1JP

Reference: 270A2017-18

Date issued: 30 November 2017

Dear Cllr Dole

Annual Audit Letter – Carmarthenshire County Council 2016-17

This letter summarises the key messages arising from my statutory responsibilities under the Public Audit (Wales) Act 2004 and my reporting responsibilities under the Code of Audit Practice.

The Council complied with its responsibilities relating to financial reporting

It is the Council's responsibility to:

- put systems of internal control in place to ensure the regularity and lawfulness of transactions and to ensure that its assets are secure;
- maintain proper accounting records;
- prepare a Statement of Accounts in accordance with relevant requirements; and
- establish and keep under review appropriate arrangements to secure economy, efficiency and effectiveness in its use of resources.

The Public Audit (Wales) Act 2004 requires me to:

- provide an audit opinion on the accounting statements;
- review the Council's arrangements to secure economy, efficiency and effectiveness in its use of resources; and
- issue a certificate confirming that I have completed the audit of the accounts.

Local authorities in Wales prepare their accounting statements in accordance with the requirements of the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom. This code is based on International Financial Reporting Standards. On 29 September 2017 I issued an unqualified audit opinion on the accounting statements confirming that they present a true and fair view of the Council's and the Dyfed Pension Fund's financial position and transactions. I issued a certificate confirming that the audit of the financial statements had been completed on the same date. My report and certificate are contained within the Statement of Accounts.

The key matters arising from the accounts audit were reported to members of the Audit Committee in my Audit of Financial Statements report on the 29 September 2017, and a more detailed report will have been subsequently issued.

I am satisfied that the Council has appropriate arrangements in place to secure economy, efficiency and effectiveness in its use of resources but there remains scope for the Council to make further improvements

My consideration of the Council's arrangements to secure economy, efficiency and effectiveness has been based on the audit work undertaken on the accounts as well as placing reliance on the work completed under the Local Government (Wales) Measure 2009. The Auditor General has highlighted areas where the effectiveness of these arrangements has yet to be demonstrated or where improvements could be made in his [Annual Improvement Report 2016-17](#).

My work to date on certification of grant claims and returns has not identified significant issues that would impact on the accounts or key financial systems

The Council has taken a number of steps to improve grants management over a number of years and some of these actions are now delivering improvements. There remain some areas where the Council needs to improve its grant certification arrangements.

The main areas where improvements were needed are shown below:

- non-compliance with the Council's own procurement rules;
- the awarding of funding to third parties and the subsequent checks that the grant funding has been spent in accordance with the scheme's terms and conditions; and
- supporting evidence to confirm eligible expenditure items in the claim

I have begun my audit of the 2016-17 grants and I will report the outcomes of this work in early 2018, when the programme of certification work is complete.

The financial audit fee for 2016-17 is currently expected to be in line with the agreed fee set out in the Annual Audit Plan.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'R Harries', is positioned below the text 'Yours sincerely'.

Richard Harries

For and on behalf of the Auditor General for Wales

cc. Mark James, Chief Executive

Chris Moore, Chief Finance Officer