CLERK'S REPORT

Meeting: Ordinary Meeting of Narberth Town Council
Date: Tuesday 5th April 2026
Report Ref: CR–OM260407
Author: Town Clerk / Proper Officer

PART A — Officer Summary

The Clerk provides the following update for Member consideration:

1. Financial Year-End and Audit Preparation
The 2025/26 financial year has now closed (31st March 2026). Work is underway to prepare the Council's accounts, Annual Governance and Accountability Return (AGAR), and all supporting documentation.

A structured and controlled approach is being taken to ensure full compliance with statutory requirements and proper practices, reflecting the need to address issues identified in previous audit cycles.

The findings of the recent Triennial Audit represent a significant governance matter.

Members' attention is therefore drawn to a separate report:

- **"Supplementary Report: External Audit Findings (Triennial Audit Cycle 2022–2025)" (Ref: SR–OM2604–AuditFindings)**

which sets out the audit findings and associated governance implications in detail.

2. Annual Governance Requirements
The Council is required to review and/or adopt a number of core governance documents at the start of the new municipal year, including:

1. Asset Register
2. Risk Assessment
3. Key statutory and policy documents

This work is being coordinated through a structured programme aligned with the Policy Review Task & Finish Group.

3. Risk Management and Asset Oversight
An updated Corporate Risk Assessment has been prepared, including an Appendix A – Asset Risk Schedule covering all known Council assets.

Given the scale of governance development required, it is proposed that the Policy Review Task & Finish Group undertake a structured review of the Council's risk management framework over the coming months.

The Council has previously considered matters relating to Bloomfield House Community Centre, including representations concerning lease arrangements.

The Clerk advises that:

1. Any proposal involving lease variation or extension constitutes a significant land transaction
2. The Council has adopted a policy-led approach, avoiding premature decision-making
3. Consideration may be given, where appropriate, to community benefit provisions in land transactions, subject to legal and governance requirements

It is further noted that the organisational and governance structure of the Narberth & District Community & Sports Association (NDCSA) is not currently fully understood.

It is recommended that this be formally addressed through engagement with the Finance & General Purposes Committee in the new municipal year.

5. Policy Review Task & Finish Group
The Policy Review Task & Finish Group (PRTFG) continues to progress a comprehensive review of the Council's governance framework.

The volume of required policies is significant, and a phased, prioritised approach is being taken to ensure compliance and robustness.

6. St Andrew's Churchyard Sub-Committee (SACS)
The Sub-Committee has been established and is progressing work relating to the management and maintenance of St Andrew's Churchyard.

The grounds maintenance tender process has now been completed, with the submission deadline having passed on 31st March 2026. The Sub-Committee will meet to review submitted tenders and bring forward recommendations in due course.

At the request of the Sub-Committee Chair, the Clerk has extended an invitation to Fr. Robert Moore, together with a nominated representative from the Church's committee, to attend and contribute to Sub-Committee discussions as non-voting participants, in order to support collaborative working and informed decision-making.

7. General Governance and Operational Matters
The Clerk continues to progress:

- Financial control improvements
- Governance framework development
- Digital and administrative systems

All work is being undertaken in line with Proper Officer responsibilities and recognised sector guidance.

Members are invited to note the contents of this report.

PART B — Background & Supporting Information

1. Financial Year-End and Audit Preparation
The financial year ended on 31st March 2026. The Clerk, as Responsible Financial Officer, is currently undertaking the formal year-end close-down process.

This includes:

- Preparation of the Council's accounts
- Completion of the Annual Governance and Accountability Return (AGAR)
- Reconciliation of all accounts and balances
- Assembly of supporting documentation for internal and external audit
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Particular care is being taken to ensure that all financial records, control processes, and reporting arrangements are fully compliant with:

- The Accounts and Audit (Wales) Regulations
- Governance and Accountability for Local Councils in Wales – A Practitioners' Guide

- The Council's adopted Financial Regulations

This reflects a deliberate and structured approach to strengthening financial governance following weaknesses identified in previous audit cycles.

Triennial Audit Feedback

The Council has received feedback arising from the recent Triennial Audit process, which has identified areas requiring improvement in relation to:

- Financial record-keeping and documentation
- Audit trail clarity
- Governance and internal control processes

A detailed summary of the audit findings and their governance implications is set out in the accompanying report:

"Supplementary Report: External Audit Findings **(Triennial Audit Cycle 2022–2025)" (Ref: SR–OM2604–AuditFindings)**

The Clerk confirms that initial steps have been taken to strengthen arrangements in these areas, including improvements to:

- Financial reporting formats
- Documentation standards
- Internal control procedures

Given the scale of work currently underway in relation to financial year-end processes and broader governance development, a comprehensive response document has not yet been finalised.
It is intended that a full:

- "Triennial Audit Findings and Governance Improvement Plan (2026)"
  will be developed and brought forward to Council once sufficient officer capacity is available.

In the interim, the matters raised through the Triennial Audit are being addressed through ongoing improvements to the Council's financial management and governance framework.

2. Annual Governance and Statutory Requirements

The start of the new financial and municipal year requires the Council to review and adopt a number of core governance documents.

These include, but are not limited to:

- Asset Register
- Risk Assessment
- Standing Orders (as required)
- Financial Regulations (as required)

Key statutory policies
The Clerk is coordinating this process through a structured work programme, ensuring that all documents are:

- Up to date
- Legally compliant
- Consistent with sector guidance (One Voice Wales / SLCC)

This work forms part of a broader governance strengthening programme currently underway.

3. Risk Management Framework

An updated Corporate Risk Assessment has been prepared for Council consideration.
This includes the introduction of:

Appendix A – Asset Risk Schedule

This appendix provides a structured assessment of risks associated with all known Council assets, ensuring that:

- Asset-level risks are explicitly identified
- Mitigation measures are recorded
- Governance oversight is strengthened

Given the scale and importance of this area, it is proposed that the Policy Review Task & Finish Group (PRTFG) undertakes a structured review of the Council's risk management framework over the coming months.

This will support:

- Alignment between risk management and policy framework
- Development of a consistent and sustainable approach to risk governance
- Integration with future policy development

4. Bloomfield House — Governance and Policy Position
The Council has previously considered matters relating to Bloomfield House Community Centre, including representations concerning lease arrangements.

The Clerk provides the following governance clarification:

4.1 Nature of the Matter
Any proposal to vary, extend, or replace an existing lease constitutes a **significant land transaction**, typically effected in law as a surrender and re-grant of the existing lease (not a renewal of lease).

Such matters:

- May engage the Council's duties under Section 123 of the Local Government Act 1972 (best consideration)
- May constitute a disposal of an interest in land
- May require formal valuation and legal advice
- May have long-term implications for the Council's asset position and liabilities

4.2 Consideration and Community Benefit
Members should be aware that, in certain circumstances, the Council may dispose of an interest in land at less than best consideration where:

- The transaction contributes to the economic, social, or environmental wellbeing of the area; and
- The undervalue falls within the limits permitted by general consent

Any such approach would require:

- Clear and evidenced justification
- Proper recording of the Council's reasoning
- Demonstration that the decision is lawful, proportionate, and in the public interest

4.3 Policy-Led Approach
The Council has, through its recent discussions, adopted a policy-led approach to this matter.

This reflects the principle that:

- Strategic direction should be established before any formal decision-making
- Premature commitment to a specific course of action may expose the Council to governance and financial risk

No binding decision should be made without:

- Appropriate professional advice
- Full Member consideration within a properly constituted decision-making framework

4.4 Organisational and Governance Clarity (NDCSA)

It is noted that the current organisational structure, governance arrangements, and decision-making authority of the Narberth & District Community & Sports Association (NDCSA) are not fully understood by the Council at this time.

This presents a governance risk in the context of any future discussions or proposals.
It is therefore recommended that:

- A formal engagement session be arranged with the Finance & General Purposes Committee in the new municipal year

This would enable:

- Clarification of organisational structure
- Understanding of governance and accountability arrangements
- Establishment of an appropriate and transparent working relationship

4.5 Member Interests and Public Perception

Where a matter relates to a significant Council asset and involves an organisation with which a Member is connected, there is a heightened need to consider both:

- Actual conflicts of interest, and
- Public perception of those interests

Members are reminded of their responsibilities under the Code of Conduct to:

- Declare relevant interests; and
- Consider whether those interests may be prejudicial, having regard to the nature of the matter and how it may reasonably be perceived by the public

4.6 Public Perception and Governance Risk

There is a potential risk relating to public perception of premature financial commitment or decision-making in respect of this matter.

It is therefore important that:

- A clear distinction is maintained between policy discussion and formal decision-making
- All actions are demonstrably compliant with governance requirements
- The Council's approach remains transparent, proportionate, and evidence-based

5. Policy Review Task & Finish Group (PRTFG)

The Policy Review Task & Finish Group continues to progress a comprehensive review of the Council's governance framework.

This includes:

- Identification of required statutory and non-statutory policies
- Development of a structured policy framework
- Phased approach to adoption and review

The scale of work required is significant, and a prioritised programme is being followed to ensure:

- Statutory compliance
- Governance robustness
- Manageable implementation

6. St Andrew's Churchyard Sub-Committee (SACS)

The St Andrew's Churchyard Sub-Committee has now been formally established and is operating in accordance with its adopted Terms of Reference.

Current work includes:

- Development of a long-term management approach for the churchyard
- Integration of biodiversity considerations
- Oversight of the grounds maintenance procurement process

The grounds maintenance tender process has now been completed, with the submission deadline having passed on 31st March 2026.

The Sub-Committee will meet to review submitted tenders and will bring forward recommendations to Council in due course.

At the request of the Sub-Committee Chair, the Clerk has extended an invitation to Fr. Robert Moore, together with a nominated representative from the Church's committee, to attend and contribute to Sub-Committee discussions as non-voting participants, in order to support collaborative working and informed decision-making.

7. General Governance and Operational Matters

- The Clerk continues to progress a range of governance and operational improvements, including:
- Strengthening of financial controls and reporting
- Development of governance documentation and frameworks
- Implementation of digital systems to support Council operations

All work is undertaken in accordance with:

- The statutory role of the Proper Officer
- The Council's adopted policies and procedures
- Recognised sector guidance and best practice