

Public Statement

Over recent weeks a number of articles and reports have been disseminated regarding Penmaenmawr Town Council's financial situation, culminating in remarks made by Janet Finch-Saunders AM in the Senedd last week. While the Council's normal practice is not to comment on overall financial issues until the annual accounts audit is complete, and the figures have been finalised (hence the silence to date), it is felt that the current level of speculation and mis-information is such that an official response is now warranted.

It has recently come to light that over the last three years the Town Council have been spending more on the local community than it has been receiving in its annual precept (income). To pay for this over-expenditure on local projects, money has been drawn from the Council's reserves. The first transfer occurring in November 2015, the last in July 2018. The total amount transferred from reserves during this period is £100,000. This has left the Council with almost no financial reserves.

Contrary to some reports, every penny of this money has been accounted for. All Council expenditure has been presented and approved by Councillors and this information is, and has been throughout, in the public domain (see Annual Audit Reports and payment lists within meeting minutes, both available on the Council's website, for a full breakdown of expenditure).

In response to some claims, which have, at times, included libellous claims, the Town Council confirms that Councillors give their time for free. No Councillor has received any financial reward (or reward in kind) beyond the reimbursement of legitimate travel expenses and/or training costs. Over the three year period in question the total amount spent by the Council on such expenses is £1,505.

The current financial situation, while extremely regrettable, has arisen because the Council was regularly required to make decisions regarding expenditure on local community events, charities and organisations, without being furnished with accurate and up to date financial information. This led to a culture of generosity towards local projects that the Council's finances could not sustain. The Town Council acknowledges that this was a weakness on its part and has introduced robust new procedures to ensure greater financial oversight in the future. The Town Council sincerely apologises for its management of public finances over the last few years and accepts that this is not in keeping with the high standards expected of a local Council. Despite its shortfalls, the Council would like to affirm that it has, throughout the period, acted in the interest of the residents of the area.

Reinforcing this intent, Penmaenmawr Town Council, in keeping with every other Council in Wales, is audited regularly; Firstly, by an independent Council nominated auditor and again by a separate Welsh Government nominated auditor. Reports from both these independent inspectors confirm that no wrongdoing has occurred, either legally or procedurally. Despite this, as soon as the current situation was unearthed, the Council reported the situation both to the Welsh Audit Office and One Voice Wales (the support organisation for Community and Local Councils). Since that initial contact the Welsh Audit Office have confirmed its intent to inspect Penmaenmawr in the near future, an inspection that the Town Council welcomes.