

# Community and Town Councils in Wales

## Annual Return for the Year Ended 31 March 2023

### Accounting statements 2022-23 for:

**Name of body:** Croesyceiliog & Llanyrafon Community Council

	Year ending		Notes and guidance for compilers
	31 March 2022 (£)	31 March 2023 (£)	Please round all figures to nearest £.  Do not leave any boxes blank and report £0 or nil balances. All figures must agree to the underlying financial records for the relevant year.
Statement of income and expenditure/receipts and payments			
1. Balances brought forward	142475	120618	Total balances and reserves at the beginning of the year as recorded in the financial records. Must agree to line 7 of the previous year.
2. (+) Income from local taxation/levy	143963	142610	Total amount of income received/receivable in the year from local taxation (precept) or levy/contribution from principal bodies.
3. (+) Total other receipts	4332	8603	Total income or receipts recorded in the cashbook minus amounts included in line 2. Includes support, discretionary and revenue grants.
4. (-) Staff costs	22832	24513	Total expenditure or payments made to and on behalf of all employees. Include salaries and wages, taxable allowances, PAYE and NI (employees and employers), pension contributions and termination costs. Exclude reimbursement of out-of-pocket expenses.
5. (-) Loan interest/capital repayments	0	0	Total expenditure or payments of capital and interest made during the year on external borrowing (if any).
6. (-) Total other payments	147320	87731	Total expenditure or payments as recorded in the cashbook minus staff costs (line 4) and loan interest/capital repayments (line 5).
7. (=) Balances carried forward	120618	159587	Total balances and reserves at the end of the year. Must equal (1+2+3) – (4+5+6).
Statement of balances			
8. (+) Debtors	0	0	<b>Income and expenditure accounts only:</b> Enter the value of debts owed to the body at the year-end.
9. (+) Total cash and investments	156811	159587	<b>All accounts:</b> The sum of all current and deposit bank accounts, cash holdings and investments held at 31 March. This must agree with the reconciled cashbook balance as per the bank reconciliation.
10. (-) Creditors	36193	0	<b>Income and expenditure accounts only:</b> Enter the value of monies owed by the body (except borrowing) at the year-end.
11. (=) Balances carried forward	120618	159587	<b>Total balances should equal line 7 above:</b> Enter the total of (8+9-10).
12. Total fixed assets and long-term assets	17849	17849	The asset and investment register value of all fixed assets and any other long-term assets held as at 31 March.
13. Total borrowing	0	0	The outstanding capital balance as at 31 March of all loans from third parties (including PWLB).



## Annual Governance Statement

We acknowledge as the members of the Council/Board/Committee, our responsibility for ensuring that there is a sound system of internal control, including the preparation of the accounting statements. We confirm, to the best of our knowledge and belief, with respect to the accounting statements for the year ended 31 March 2023, that:

	Agreed?		'YES' means that the Council/Board/Committee:	PG Ref
	Yes	No*		
1. We have put in place arrangements for: <ul style="list-style-type: none"> <li>effective financial management during the year; and</li> <li>the preparation and approval of the accounting statements.</li> </ul>	<input checked="" type="radio"/>	<input type="radio"/>	Properly sets its budget and manages its money and prepares and approves its accounting statements as prescribed by law.	6, 12
2. We have maintained an adequate system of internal control, including measures designed to prevent and detect fraud and corruption, and reviewed its effectiveness.	<input checked="" type="radio"/>	<input type="radio"/>	Made proper arrangements and accepted responsibility for safeguarding the public money and resources in its charge.	6, 7
3. We have taken all reasonable steps to assure ourselves that there are no matters of actual or potential non-compliance with laws, regulations and codes of practice that could have a significant financial effect on the ability of the Council/Board/ Committee to conduct its business or on its finances.	<input checked="" type="radio"/>	<input type="radio"/>	Has only done things that it has the legal power to do and has conformed to codes of practice and standards in the way it has done so.	6
4. We have provided proper opportunity for the exercise of electors' rights in accordance with the requirements of the Accounts and Audit (Wales) Regulations 2014.	<input checked="" type="radio"/>	<input type="radio"/>	Has given all persons interested the opportunity to inspect the body's accounts as set out in the notice of audit.	6, 23
5. We have carried out an assessment of the risks facing the Council/Board/Committee and taken appropriate steps to manage those risks, including the introduction of internal controls and/or external insurance cover where required.	<input checked="" type="radio"/>	<input type="radio"/>	Considered the financial and other risks it faces in the operation of the body and has dealt with them properly.	6, 9
6. We have maintained an adequate and effective system of internal audit of the accounting records and control systems throughout the year and have received a report from the internal auditor.	<input checked="" type="radio"/>	<input type="radio"/>	Arranged for a competent person, independent of the financial controls and procedures, to give an objective view on whether these meet the needs of the body.	6, 8
7. We have considered whether any litigation, liabilities or commitments, events or transactions, occurring either during or after the year-end, have a financial impact on the Council/Board/Committee and, where appropriate, have included them on the accounting statements.	<input checked="" type="radio"/>	<input type="radio"/>	Disclosed everything it should have about its business during the year including events taking place after the year-end if relevant.	6
8. We have taken appropriate action on all matters raised in previous reports from internal and external audit.	<input checked="" type="radio"/>	<input type="radio"/>	Considered and taken appropriate action to address issues/weaknesses brought to its attention by both the internal and external auditors.	6, 8, 23
9. Trust funds – The body acts as sole trustee for and is responsible for managing trust fund(s)/assets. We exclude transactions related to these trusts from the Accounting Statement. In our capacity as trustee, we have discharged our responsibility in relation to the accountability for the fund(s) including financial reporting and, if required, independent examination or audit.	<input type="radio"/>	<input type="radio"/>	Has met all of its responsibilities where it is a sole managing trustee of a local trust or trusts.	3, 6

\* Please provide explanations to the external auditor on a separate sheet for each 'no' response given; and describe what action is being taken to address the weaknesses identified.



## Additional disclosure notes\*

The following information is provided to assist the reader to understand the accounting statement and/or the Annual Governance Statement

### 1. Expenditure under S137 Local Government Act 1972 and S2 Local Government Act 2000

Section 137(1) of the 1972 Act permits the Council to spend on activities for which it has no other specific powers if the Council considers that the expenditure is in the interests of, and will bring direct benefit to, the area or any part of it, or all or some of its inhabitants, providing that the benefit is commensurate with the expenditure. Section 137(3) also permits the Council to incur expenditure for certain charitable and other purposes. The maximum expenditure that can be incurred under both section 137(1) and (3) for the financial year 2022-23 was £8.82 per elector.

In 2022-23, the Council made payments totalling £\_\_0\_\_ under section 137. These payments are included within 'Other payments' in the Accounting Statement.

2.

3.

\* Include here any additional disclosures the Council considers necessary to aid the reader's understanding of the accounting statements and/or the annual governance statement.

## Council/Board/Committee approval and certification

The Council/Committee is responsible for the preparation of the accounting statements and the annual governance statement in accordance with the requirements of the Public Audit (Wales) Act 2004 (the Act) and the Accounts and Audit (Wales) Regulations 2014.

<b>Certification by the RFO</b> I certify that the accounting statements contained in this Annual Return present fairly the financial position of the Council/Board/Committee, and its income and expenditure, or properly present receipts and payments, as the case may be, for the year ended 31 March 2023.	<b>Approval by the Council/Board/Committee</b> I confirm that these accounting statements and Annual Governance Statement were approved by the Council/Board/Committee under minute reference:
RFO signature: 	Minute ref: FC230925.10.1 Chair of meeting signature: 
Name: Sian Davies	Name: Stewart Matthews
Date: 25 <sup>th</sup> September 2023	Date: 25 <sup>th</sup> September 2023

## Auditor General's report and audit opinion

I certify that I have completed the audit of the Annual Return for the year ended 31 March 2023 of **Croesyceiliog & Llanyrafon Community Council**. My audit has been conducted on behalf of the Auditor General for Wales and in accordance with the requirements of the Public Audit (Wales) Act 2004 (the 2004 Act) and guidance issued by the Auditor General for Wales.

### Audit opinion: Qualified

Except for the matters reported below in my Basis for Qualification, on the basis of my audit, in my opinion no matters have come to my attention to give cause for concern that, in any material respect, the information reported in this Annual Return:

- has not been prepared in accordance with proper practices;
- that relevant legislative and regulatory requirements have not been met;
- is not consistent with the Council's governance arrangements; and
- that the Council does not have proper arrangements in place to secure economy, efficiency and effectiveness in its use of resources.

### Basis of Qualification

#### Annual Governance Statement

In my opinion, the Annual Governance Statement is not consistent with the Council's internal controls and governance arrangements for the year:

- Assertion 3: Non-compliance with relevant laws and regulations. The Council did not provide minute evidence in relation to the payment of members' allowances.
- Assertion 4: The Council did not advertise the audit and make proper arrangements for the public inspection of accounts as required by the Public Audit (Wales) Act 2004 and the Accounts and Audit (Wales) Regulations 2014).

### Other matters and recommendations

I draw the Council's attention to the following matters and recommendations which do not affect my audit opinion but should be addressed by the Council.

#### Members' allowances

The Council did not receive written notice that some members wished to waive their allowance. We recommend that the Council obtain written confirmation from all members confirming that they do not wish to receive their allowance.

There are no further matters I wish to draw to the Council's attention.

 <b>Richard Harries, Director, Audit Wales</b> <b>For and on behalf of the Auditor General for Wales</b>	<b>Date: 07/11/2024</b>
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## Annual internal audit report to:

Name of body: Croesyceiliog & Llanyrafon Community Council

The Council/Board/Committee's internal audit, acting independently and on the basis of an assessment of risk, has included carrying out a selective assessment of compliance with relevant procedures and controls expected to be in operation during the financial year ending 31 March 2023.

The internal audit has been carried out in accordance with the Council/Board/Committee's needs and planned coverage. On the basis of the findings in the areas examined, the internal audit conclusions are summarised in this table. Set out below are the objectives of internal control and the internal audit conclusions on whether, in all significant respects, the following control objectives were being achieved throughout the financial year to a standard adequate to meet the needs of the Council/Board/Committee.

	Agreed?				Outline of work undertaken as part of the internal audit (NB not required if detailed internal audit report presented to body)
	Yes	No*	N/A	Not covered*	
1. Appropriate books of account have been properly kept throughout the year.	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Income and Expenditure records maintained. Sample testing of bank account statement to the income and expenditure accounts provided evidence that the accounts were kept up to date.
2. Financial regulations have been met, payments were supported by invoices, expenditure was approved and VAT was appropriately accounted for.	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Financial Regulations in place agreed by Full Council in March 2023. Sample testing performed of cheque and card payments provided evidence that payments were supported by invoices. VAT records were also checked to ensure that where claimed, VAT invoices were present and amounts claimed accurately recorded. Approvals for expenditure evidenced through Full Council Meeting Minutes and Business Planning Committee Minutes.
3. The body assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Risk Assessment Schedule maintained. Evidence of control measures recorded for each risk obtained and reviewed.
4. The annual precept/levy/resource demand requirement resulted from an adequate budgetary process, progress against the budget was regularly monitored, and reserves were appropriate.	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Evidence of budget process and approval obtained through Business Planning and Full Council meeting minutes.
5. Expected income was fully received, based on correct prices, properly recorded and promptly banked, and VAT was appropriately accounted for.	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Sample testing performed confirmed that expected income was received and accurately recorded in the accounts. VAT records checked to ensure that where claimed, VAT invoices were

## Appendix A: Annual Internal Audit Report

	Agreed?				Outline of work undertaken as part of the internal audit (NB not required if detailed internal audit report presented to body)
	Yes	No*	N/A	Not covered*	
					presented, and amounts claimed accurately recorded.
6. Petty cash payments were properly supported by receipts, expenditure was approved and VAT appropriately accounted for.	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	Petty cash not held. Sample of card transactions examined as per Reference 1 above.
7. Salaries to employees and allowances to members were paid in accordance with minuted approvals, and PAYE and NI requirements were properly applied.	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Payroll services undertaken by Torfaen County Borough Council (TCBC) including payment of salaries and allowances and calculation of PAYE and NI. Invoices paid by the Council in respect of amounts paid out by TCBC. Evidence of approvals obtained through Full Council minutes. PAYE and NI was confirmed against bank statements and employee payslips.
8. Asset and investment registers were complete, accurate, and properly maintained.	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Fixed Asset Register maintained. No disposals in year.



## Appendix A: Annual Internal Audit Report

	Agreed?				Outline of work undertaken as part of the internal audit (NB not required if detailed internal audit report presented to body)
	Yes	No*	N/A	Not covered**	
9. Periodic and year-end bank account reconciliations were properly carried out.	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Evidence of periodic and year-end bank account reconciliations was obtained. Re-performance of the reconciliations on a sample test basis confirmed that they had been performed accurately.
10. Accounting statements prepared during the year were prepared on the correct accounting basis (receipts and payments/income and expenditure), agreed with the cashbook, were supported by an adequate audit trail from underlying records, and where appropriate, debtors and creditors were properly recorded.	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	See References 1 and 5. Ongoing Income and Expenditure and Budget report presented to Full Council. Budget report and narrative outturn report presented at year end.
11. Trust funds (including charitable trusts). The Council/Board/Committee has met its responsibilities as a trustee.	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	N/A

For any risk areas identified by the Council/Board/Committee (list any other risk areas below or on separate sheets if needed) adequate controls existed:

	Agreed?				Outline of work undertaken as part of the internal audit (NB not required if detailed internal audit report presented to body)
	Yes	No*	N/A	Not covered**	
1. Legal Powers	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Evidence of control measures recorded in the Council's Risk Assessment Schedule obtained. Copies of insurances provided.
2. Actions by Clerk	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Evidence of control measures recorded in the Council's Risk Assessment Schedule obtained. Copies of insurances obtained.
3. Documents	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Evidence of control measures recorded in the Council's Risk Assessment Schedule obtained. Copies of approved Full Council minutes obtained.
4. Minutes	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Evidence of control measures recorded in the Council's Risk Assessment Schedule obtained. Copies of approved Full Council minutes obtained.
5. C&LCC records	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Evidence of control measures recorded in the Council's Risk Assessment Schedule obtained. Confirmation obtained that records saved to SharePoint. All information requested during the annual audit provided and in a timely manner.



## Appendix A: Annual Internal Audit Report

6. Members Interests	x				<p><i>Evidence of control measures recorded in the Council's Risk Assessment Schedule obtained.</i></p> <p>Standing item of all Full Council agendas. Copies of approved Full Council minutes obtained.</p>
7. GDPR	x				<p><i>Evidence of control measures recorded in the Council's Risk Assessment Schedule obtained.</i></p> <p>Advice provided to the Council through One Voice Wales (OVW). Confirmation of annual OVW subscription payment obtained.</p>
8. Public Liability	x				<p><i>Evidence of control measures recorded in the Council's Risk Assessment Schedule obtained.</i></p> <p>Copies of insurances obtained.</p>
9. Employer liability	x				<p><i>Evidence of control measures recorded in the Council's Risk Assessment Schedule obtained.</i></p> <p>Copies of insurances obtained.</p>
10. Precept	x				<p><i>Evidence of control measures recorded in the Council's Risk Assessment Schedule obtained.</i></p> <p>Confirmation of precept approval obtained through review of Full Council minutes. Evidence of ongoing budget reports also obtained.</p>
11. Insurance	x				<p><i>Evidence of control measures recorded in the Council's Risk Assessment Schedule obtained.</i></p> <p>Copies of insurances obtained.</p>
12. Banking	x				<p><i>Evidence of control measures recorded in the Council's Risk Assessment Schedule obtained.</i></p> <p>See References 1 and 5 in the table above. *</p>
13. Section 137	x				<p><i>Evidence of control measures recorded in the Council's Risk Assessment Schedule obtained.</i></p> <p>Evidence of authorisation of expenditure obtained through review of Full Council minutes.</p>
14. VAT	x				<p><i>Evidence of control measures recorded in the Council's Risk Assessment Schedule obtained.</i></p> <p>See Reference 2 in the table above.</p>
15. Cash			x		<p>No cash payments made.</p> <p>See References 1 and 5 in the table above.</p>
16. Election Costs			x		<p>No election costs incurred.</p>
17. Payroll	x				<p><i>Evidence of control measures recorded in the Council's Risk Assessment Schedule obtained.</i></p>

## Appendix A: Annual Internal Audit Report


					Evidence of periodic and year-end bank account reconciliations obtained. Re-performance of the reconciliations on a sample test basis confirmed that they had been performed accurately.
18. Annual return	x				See References 1, 5 and 10 in the table above.
19. Reputational	x				See References 4, 8 9 and 11 in the table above.

\* If the response is 'no', please state the implications and action being taken to address any weakness in control identified (add separate sheets if needed).

\*\* If the response is 'not covered', please state when the most recent internal audit work was done in this area and when it is next planned, or if coverage is not required, internal audit must explain why not.

### Internal audit confirmation

I/we confirm that as the Council's internal auditor, I/we have not been involved in a management or administrative role within the body (including preparation of the accounts) or as a member of the body during the financial years 2021-22 and 2022-23. I also confirm that there are no conflicts of interest surrounding my appointment.

<b>Name of person who carried out the internal audit:</b> Steen Gourlay
<b>Signature of person who carried out the internal audit:</b> 
<b>Date:</b> <del>25 September 2023</del> <del>25 September 2023</del> <del>22 September 2023</del>