

Community and Town Councils in Wales

Annual Return for the Year Ended 31 March 2024

Accounting statements 2023-24 for:

Name of body: Croesyceiliog & Llanyrafon Community Council

	Year ending		Notes and guidance
	31 March 2023 (£)	31 March 2024 (£)	
Statement of income and expenditure/receipts and payments			
1. Balances brought forward	120618	159587	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	142610	142283	Total amount of income received/receivable in the year from local taxation (precept) or levy/contribution from principal bodies.
3. (+) Total other receipts	8603	3593	Total income or receipts recorded in the cashbook minus amounts included in line 2. Includes support, discretionary and revenue grants.
4. (-) Staff costs	24513	27548	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	87731	145940	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	159587	131975	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	Income and expenditure accounts only: Enter the value of debts owed to the body at the year-end.
9. (+) Total cash and investments	159587	131975	All accounts: 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	0	0	Income and expenditure accounts only: Enter the value of monies owed by the body (except borrowing) at the year-end.
11. (=) Balances carried forward	159587	131975	Total balances should equal line 7 above: 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, 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 2024, that:

	Agreed?		'YES' means that the Council:	PG Ref
	Yes	No*		
1. We have put in place arrangements for: <ul style="list-style-type: none"> effective financial management during the year; and the preparation and approval of the accounting statements. 	✓		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.	✓		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 to conduct its business or on its finances.	✓		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.	✓		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 and taken appropriate steps to manage those risks, including the introduction of internal controls and/or external insurance cover where required.	✓		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.	✓		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 and, where appropriate, have included them on the accounting statements.	✓		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.	✓		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 Council 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.	Yes	No	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 2023-24 was £9.93 per elector.

In 2023-24, the Council made payments totalling £_____0_____ under section 137. These payments are included within 'Other payments' in the Accounting Statement.

2. Council's AR for 2022/23 was submitted late and has not yet been confirmed. That AR submitted did not account for un-presented cheque payments prior to Y/E. These are identified and accounted for on the submitted Y/E Cashbook Reconciliation for this year.

3.

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

Council approval and certification

The Council 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.

Certification by the RFO I certify that the accounting statements contained in this Annual Return present fairly the financial position of the Council, and its income and expenditure, or properly present receipts and payments, as the case may be, for the year ended 31 March 2024.	Approval by the Council I confirm that these accounting statements and Annual Governance Statement were approved by the Council under minute reference:
RFO signature: 	Minute ref: FCM24062410.1
Name: SIAN DAVIES	Chair signature: 
Date: 24/06/24	Name: STEWART MATTHEWS
	Date: 24/06/24

Annual internal audit report to:

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

The Council'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 2024.

The internal audit has been carried out in accordance with the Council'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.

	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.	✓				See detailed report
2. Financial regulations have been met, payments were supported by invoices, expenditure was approved and VAT was appropriately accounted for.	✓				See detailed report
3. The body assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	✓				See detailed report
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.	✓				See detailed report
5. Expected income was fully received, based on correct prices, properly recorded and promptly banked, and VAT was appropriately accounted for.	✓				See detailed report
6. Petty cash payments were properly supported by receipts, expenditure was approved and VAT appropriately accounted for.	✓				See detailed report
7. Salaries to employees and allowances to members were paid in accordance with minuted approvals, and PAYE and NI requirements were properly applied.	✓				See detailed report
8. Asset and investment registers were complete, accurate, and properly maintained.	✓				See detailed 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.	✓				See detailed report
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.	✓				See detailed report
11. Trust funds (including charitable trusts). The Council has met its responsibilities as a trustee.			✓		

For any risk areas identified by the Council (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**	
12.					
13.					
14.					

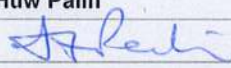
* If the response is 'no', please state the implications and action being taken to address any weakness in control identified (add separate sheets if needed).

** 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.

[My detailed findings and recommendations which I draw to the attention of the Council are included in my detailed report to the Council dated 16 JUNE 2024.] * Delete if no report prepared.

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 2022-23 and 2023-24. I also confirm that there are no conflicts of interest surrounding my appointment.

Name of person who carried out the internal audit: John Huw Palin
Signature of person who carried out the internal audit: 
Date: 25 JUNE 2024.

Croesyceiliog & Llanyrafon Community Council
Year Ended 31 March 2024

Internal Audit Testing

Area (per Section 4 of Annual Return)	Findings	Recommendations	Comments
1	<p>The Council's accounts are maintained on a receipts and payments basis using Microsoft Excel spreadsheets which were reviewed and checked that they agree to the final Income and expenditure account presented as the Financial statements.</p> <p>Confirmation that regular checks are made by the council in relation to these areas received.</p>	N/A	N/A
2	<p>The Standing Orders were reviewed and adopted on 21 May 2023. The Financial Regulations were adopted on 21 May 2023.</p> <p>It is noted that a schedule of bank payments for approval is presented to members. All the payments during the year were discussed and approved at the meetings of the council.</p> <p>Sample testing was undertaken on a number of random payments. We selected 12 payments for testing.</p> <p>All bank payments are made by cheque and 2 councillors authorise these cheques.</p> <p>The financial regulations, reviewed and adopted on 21 May 2023 state that for proposed contract expenditure with values between £3,000 and £25,000, 3 quotations must be obtained. From our sample of payments, five items were selected with values exceeding £3,000 (but not exceeding £25,000). No quotes were obtained for these items for the following reasons:</p>	<p>N/A</p> <p>N/A</p> <p>N/A</p> <p>N/A</p>	<p>N/A</p> <p>N/A</p> <p>N/A</p> <p>N/A</p>

2 (continued)	<p>Two of these items relate to an ongoing agreement between the council and a charity called The HWB who took over the running of Woodland Road Sports & Social Club.</p> <p>One payment relates to Electoral costs paid to Torfaen CBC which are compulsory and do not require any other quotes.</p> <p>One payment relates to Torfaen CBC costs which have been ongoing payments over a number of years for Summer Provisions.</p> <p>The last payment relates to an ongoing agreement between Cwmbran CC to pay a sponsorship fee every year for the 'Big Event'.</p>	<p>It is recommended that three quotes are obtained for all expenditure over £3,000 but not exceeding £25,000.</p>	N/A
3	<p>The risk assessment has been reviewed during the year and is set to be reviewed again after the year end.</p> <p>The Clerk carries out a review of the financial controls on a monthly basis and reports to the council. Internal audit reviews are to be carried out quarterly by selected Councillors throughout the year.</p>	<p>N/A</p> <p>Select councillors and those selected to complete internal audit reviews and present to the Council as soon as it is practical and then every quarter</p>	<p>N/A</p> <p>N/A</p>
4	<p>The Council had prepared a budget for 2023/24 in support of its precept.</p> <p>The comparisons of the budgeted figures to actual costs incurred has been reviewed and reported to the Council on a monthly basis.</p>	N/A	N/A
5	<p>The expected precept balance was vouched as having been received.</p> <p>No other testing was carried out as it consisted of interest income, VAT refunds & a small amount of Miscellaneous income</p>	<p>N/A</p> <p>N/A</p>	<p>N/A</p> <p>N/A</p>
6	We reviewed the council's accounting records which indicate that total petty cash expenditure	N/A	N/A

	for the year was nil. The accounting records indicate that there is no petty cash held by the council.			
7	Sample testing was undertaken in relation to salary payments. A sample of two employees' salaries were agreed to published pay scales.	N/A	N/A	N/A
8	The Council maintains an asset register which records the assets at their original cost, which is lower than their insured replacement value. We have agreed the cost figure per the fixed asset register to that declared on the annual return for the year.	N/A	N/A	N/A
9	Monthly bank reconciliations are prepared and presented to Council. The year end bank reconciliation was tested and the balances agreed to bank accounts. This Cashbook balance includes seven old outstanding cheques totalling £2,344.	N/A	It is recommended that these are cancelled and re-issued.	N/A
10	Year end accounts have been reviewed to ensure they have been prepared on the correct accounting basis (receipts and payments) agreed to Section 1 of the Annual Return. The accounts figures at the year-end have been checked back to the accounting records to ensure an appropriate audit trail has been kept throughout the year, supported by adequate records.	N/A	N/A	N/A
11	There were no trust funds therefore no trust testing was required.	N/A	N/A	N/A