

# Community and Town Councils in Wales

## Annual Return for the Year Ended 31 March 2021

### LANGUAGE PREFERENCE

Please indicate how you would like us to communicate with you during the audit. Note that audit notices will be issued bilingually.

	Yes	No		Yes	No
ENGLISH	<input checked="" type="checkbox"/>	<input type="checkbox"/>	WELSH	<input type="checkbox"/>	<input type="checkbox"/>
			BILINGUAL	<input type="checkbox"/>	<input type="checkbox"/>
			Y		

### THE ACCOUNTS AND AUDIT PROCESS

Section 12 of the Public Audit (Wales) Act 2004 requires community and town councils (and their joint committees) in Wales to make up their accounts each year to 31 March and to have those accounts audited by the Auditor General for Wales. Regulation 14 of the Accounts and Audit (Wales) Regulations 2014 states that smaller local government bodies i.e. those with annual income and expenditure below £2.5 million must prepare their accounts in accordance with proper practices.

For community and town councils and their joint committees, proper practices are set out in the One Voice Wales/Society of Local Council Clerks publication **Governance and accountability for local councils in Wales – A Practitioners’ Guide** (the Practitioners’ Guide). The Practitioners’ Guide requires that they prepare their accounts in the form of an Annual Return. This Annual Return meets the requirements of the Practitioners’ Guide.

The accounts and audit arrangements follow the process as set out below.

RFO/Clerk prepares accounting statements and Annual Governance Statement. Internal audit completes internal audit report. RFO certifies return (below Part 2 of the Annual Governance Statement) before 30 June and presents the return to the body.	The body approves the Annual Return by 30 June. This is evidenced by the Chair signing the box below Part 2 of the Annual Governance Statement. RFO/Clerk sends the Annual Return and copies of requested evidence to the external auditor acting on behalf of the Auditor General for Wales.	External auditor completes audit and:	
		Either: If no amendments are required, certifies the Annual Return and sends it back to the body for publishing by 30 September.	Or: If amendments are required, reports issues (including amendments) to the body. The body amends the Annual Return, the RFO re-certifies and the body re-approves before sending it back to the auditor. The auditor then certifies the Annual Return and sends it back to the body for publishing by 30 September.

**Please read the guidance on completing this Annual Return and complete all sections highlighted pink.**

### APPROVING THE ANNUAL RETURN

**The council must approve the Annual Return BEFORE the accounts and supporting documents are made available for public inspection under section 30 of the Public Audit (Wales) Act 2004.**

**The Auditor General for Wales’ Audit Certificate and report is to be completed by the auditor acting on behalf of the Auditor**

**General. It MUST NOT be completed by the Clerk/RFO, the Chair or the internal auditor.**

**Audited and certified returns are sent back to the body for publication and display of the accounting statements, Annual Governance Statement and the Auditor General for Wales' certificate and report.**

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**Accounting statements 2020-21 for:**

Name of body: Croesyceiliog and Llanyrafon Community Council

	Year ending		Notes and guidance for compilers
	31 March 2020 (£)	31 March 2021 (£)	
Please round all figures to nearest £. Do not leave any boxes blank and report zero and balances. All figures must agree to the underlying financial records for the relevant year.			
<b>Statement of income and expenditure/receipts and payments</b>			
1. Balances brought forward	126892	113083	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	140538	144290	Total amount of income received/receivable in the year from local taxation (precept) or levy/contribution from principal bodies.
3. (+) Total other receipts	26570	15779	Total income or receipts recorded in the cashbook minus amounts included in line 2. Includes support, discretionary and revenue grants.
4. (-) Staff costs	50774	19319	Total expenditure or payments made to and on behalf of all employees. Include salaries and wages, PAYE and NI (employees and employers), pension contributions and related expenses eg. termination costs.
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	130143	111358	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	113083	142475	Total balances and reserves at the end of the year. Must equal (1+2+3) - (4+5+6).
<b>Statement of balances</b>			
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	123179	165956	<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	10096	23481	<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	113083	142475	Total balances should equal line 7 above: Enter the total of (8+9-10).
12. Total fixed assets and long-term assets	15515	16105	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).
14. Trust funds disclosure note	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Save
The body acts as sole trustee for and is responsible for managing (a) trust fund(s)/assets (readers should note that the figures above do not include any trust transactions).			
15.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**Annual Governance Statement (Part 1)**

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 2021, that:

	Answer		A15S means that the Council/Board/Committee	Re 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="checkbox"/>	<input type="checkbox"/>	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="checkbox"/>	<input type="checkbox"/>	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="checkbox"/>	<input type="checkbox"/>	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="checkbox"/>	<input type="checkbox"/>	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="checkbox"/>	<input type="checkbox"/>	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="checkbox"/>	<input type="checkbox"/>	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="checkbox"/>	<input type="checkbox"/>	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="checkbox"/>	<input type="checkbox"/>	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 – in our capacity as trustee, we have: <ul style="list-style-type: none"> <li>discharged our responsibility in relation to the accountability for the fund(s) including financial reporting and, if required, independent examination or audit.</li> </ul>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	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.	<p><b>Expenditure under S137 Local Government Act 1972 and S2 Local Government Act 2000</b></p> <p>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 2020-21 was £8.32 per elector.</p> <p>In 2020-21, the Council made payments totalling £ <input type="text"/> under section 137. These payments are included within 'Other payments' in the Accounting Statement.</p>
2.	
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/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 presents fairly the financial position of the Council/Board/ Committee, and its income and expenditure, or properly presents receipts and payments, as the case may be, for the year ended 31 March 2021.	<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: 28-06-21 - 6.
Name: Adrian Isaacs	Chair of meeting signature: 
Date: 28-06-21	Name: Darrell Dewar
	Date: 28-06-21

### Auditor General for Wales' Audit Certificate and report

I report in respect of my audit of the accounts under section 13 of the Act, whether any matters that come to my attention give cause for concern that relevant legislation and regulatory requirements have not been met. My audit has been conducted in accordance with, guidance issued by the Auditor General for Wales.

I certify that I have completed the audit of the Annual Return for the year ended 31 March 2021 of:

### Auditor General's report

**Audit opinion**  
[Except for the matters reported below]\* On the basis of my review, in my opinion no matters have come to my attention giving 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 legislation and regulatory requirements have not been met;
- is not consistent with the Council's/Committee's governance arrangements; and
- that the Council/Committee does not have proper arrangements in place to secure economy, efficiency and effectiveness in its use of resources.

### Other matters arising and recommendations

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

External auditor's name:

External auditor's signature:

Date:

For and on behalf of the Auditor General for Wales

\* Delete as appropriate.

**Annual internal audit report to:**

Name of body: Croesyceiliog and Llanyravon 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<sup>st</sup> March 2021.

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.

	yes/no				On the above words undertaken as part of the internal audit. If not required, delete 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="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	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="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Financial Regulations in place agreed by Full Council in September 2019. Sample testing performed of cheque and card payments provided evidence that payments were supported by invoices. VAT records also checked to ensure that where claimed VAT invoices were presented 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="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	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="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Evidence of budget process and approval obtained through Full Council. Budget approval for 2020/21 at Full Council on 24 <sup>th</sup> February 2020.
5. Expected income was fully received, based on correct prices, properly recorded and promptly banked, and VAT was appropriately accounted for.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	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 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="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	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="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	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. Sample of invoices paid to TCBC examined and found to be accurate.
8. Asset and investment registers were complete, accurate, and properly maintained.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Fixed Asset Register maintained. Fixed Asset additions purchased in 2020-21 accurately added to the register. No disposals in year.

	Agreed?				Confirmation of audit undertaken as part of the internal audit (N/A 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="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	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="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	See References 1 and 5. Ongoing Income & 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="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	N/A

Have any risk areas identified by the Council/Board/ Committee (list any other risk areas that fall in or separate sheets if needed) adequate controls existed?					
	Agreed?				Confirmation of audit undertaken as part of the internal audit (N/A not required if detailed internal audit report presented to body)
	Yes	No	N/A	Not covered	
1. Legal Powers	X				Evidence of control measures recorded in the Council's Risk Assessment Schedule obtained. Copies of insurances provided.
2. Actions by Clerk	X				Evidence of control measures recorded in the Council's Risk Assessment Schedule obtained. Copies of insurances obtained.
3. Documents	X				Evidence of control measures recorded in the Council's Risk Assessment Schedule obtained. Copies of approved Full Council minutes obtained.
4. Minutes	X				Evidence of control measures recorded in the Council's Risk Assessment Schedule obtained. Copies of approved Full Council minutes obtained.
5. C&LCC records	X				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.
6. Members Interests	X				Evidence of control measures recorded in the Council's Risk Assessment Schedule obtained. Standing item of all Full Council

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

\* 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 confirm that as the Council's internal auditor, I have not been involved in a management or administrative role within the body (including

Name of person who carried out the internal audit: Steen Gourlay  
Signature of person who carried out the internal audit: *Steen Gourlay*  
Date: 24/05/2021

### Guidance notes on completing the Annual Return

1. You must apply proper practices when preparing this Annual Return. Proper practices are set out in the Practitioners' Guide.
2. Make sure that the Annual Return is fully completed ie, no empty red boxes. Please avoid making any amendments to the completed return. If this is unavoidable, cross out the incorrect entries, make sure the amendments are drawn to the attention of the body, properly initialled and an explanation for them is provided to the external auditor. **Please do not use correction fluid.** Annual returns that are incomplete or contain unapproved and/or unexplained amendments or correction fluid will be returned unaudited and may incur additional costs. Ask your auditor for an electronic copy of the form if required.
3. Use a second pair of eyes, perhaps the Chair or a member, to review your Annual Return for completeness before sending the original form to the auditor.
4. Make sure that your accounting statements add up, that the balance carried forward from the previous year (line 7 of 2020) equals the balance brought forward in the current year (line 1 of 2021). Explain any differences between the 2020 figures on this Annual Return and the amounts recorded in last year's Annual Return.
5. Explain fully any significant variances in the accounting statements. Do not just send in a copy of your detailed accounting records instead of this explanation. The external auditor wants to know that you understand the reasons for all variances. Include a detailed analysis to support your explanation and be specific about the values of individual elements making up the variances.
6. Make sure that the copy of the bank reconciliation you send to your auditor with the Annual Return covers **all** your bank accounts and cash balances. If there are no reconciling items, please state this and provide evidence of the bank balances. If your Council holds any short-term investments, please note their value on the bank reconciliation. The auditor should also be able to agree your bank reconciliation to line 9 in the accounting statements. More help on bank reconciliations is available in the Practitioners' Guide.
7. **Every council must send to the external auditor, information to support the assertions made in the Annual Governance Statement even if you have not done so before.** Your auditor will tell you what information you need to provide. Please read the audit



notice carefully to ensure you include all the information the auditor has asked for. You should send **copies** of the original records (certified by the Clerk and Chair as accurate copies) to the external auditor and not the original documents themselves.

8. Please do not send the auditor any information that you are not specifically asked for. Doing so is not helpful.
9. If the auditor has to review unsolicited information, repeat a request for information, receives an incomplete bank reconciliation or explanation of variances or receives original documents that must be returned, the auditor will incur additional costs for which they are entitled to charge additional fees.
10. **Please deal with all correspondence with the external auditor promptly.** This will help you to meet your statutory obligations and will minimise the cost of the audit.
11. **Please note that if completing the electronic form, you must print the form for it to be certified by the RFO and signed by the Chair before it is sent to the auditor.**

Completion checklist - "No" answers mean that you may not have met requirements		Date	
Initial submission to the external auditor		Yes	No
Accounts	Do the papers to be sent to the external auditor include an explanation of significant variations from last year to this year?		
	Does the bank reconciliation as at 31 March 2021 agree to Line 9?		
Approval	Has the RFO certified the accounting statements and Annual Governance Statement (Regulation 15 (1)) no later than 30 June 2021?		
	Has the body approved the accounting statements before 30 June 2021 and has Section 3 been signed and dated by the person presiding at the meeting at which approval was given?		
All sections	Have all pink boxes in the accounting statements and Annual Governance Statement been completed and explanations provided where needed?		
	Has all the information requested by the external auditor been sent with this Annual Return? Please refer to your notice of audit and any additional schedules provided by your external auditor.		

If accounts are amended after receipt of the Auditor General's report, all matters arising		Yes	No
Accounts	Have the amended accounting statements been approved and Section 3 re-signed and re-dated as evidence of the Board's approval of the amendments before re-submission to the auditor?		