

Community and Town Councils in Wales

Annual Return for the Year Ended 31 March 2024

Accounting statements 2023-24 for:

Name of body: **LLANGUNNOR COMMUNITY COUNCIL**

	Year ending		Notes and guidance
	31 March 2023 (£)	31 March 2024 (£)	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	62,754 RESTATED	53,443	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	33,000	38,000	Total amount of income received/receivable in the year from local taxation (precept) or levy/contribution from principal bodies.
3. (+) Total other receipts	8,418	13,854	Total income or receipts recorded in the cashbook minus amounts included in line 2. Includes support, discretionary and revenue grants.
4. (-) Staff costs	10,653	12,062	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	2,850	1,710	Total expenditure or payments of capital and interest made during the year on external borrowing (if any).
6. (-) Total other payments	37,226 RESTATED	42,883	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	53,443 RESTATED	48,642	Total balances and reserves at the end of the year. Must equal (1+2+3) – (4+5+6).
Statement of balances			
8. (+) Debtors	N/A	N/A	Income and expenditure accounts only: Enter the value of debts owed to the body at the year-end.
9. (+) Total cash and investments	53,443 RESTATED	48,642	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	N/A	N/A	Income and expenditure accounts only: Enter the value of monies owed by the body (except borrowing) at the year-end.
11. (=) Balances carried forward	53,443 RESTATED	48,642	Total balances should equal line 7 above: Enter the total of (8+9-10).
12. Total fixed assets and long-term assets	138,311	151,070	The asset and investment register value of all fixed assets and any other long-term assets held as at 31 March.
13. Total borrowing	8,549	7,124	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: - 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 £1,960 under section 137. These payments are included within 'Other payments' in the Accounting Statement.

2. The comparative figures for 2023 at lines 1,6,7,9,11 and 12 have been restated because of both addition errors and errors in principle which resulted in the brought forward balances being misstated. The adjustment was required to both correct previous errors and to ensure that the current year is correctly stated.

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: <i>Minute 06/25-07</i> Chair signature: 
Name: Stewart Bowen	Name: Jenny Slate
Date: 20 June 2024	Date: 20 June 2024

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 2024 of **Llangunnor 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

Accounting Statement

I am unable to conclude whether or not the Accounting Statement properly presents the Council's receipts and payments and financial position:

- The Council was unable to provide copies of invoices for the period January – March 2024.
- There is a non-material discrepancy between the Council's summary cashbook and the Accounting Statement and the detailed cashbooks maintained for the Council's individual bank accounts.
 - Receipts recorded in the current account cashbook are £51,368.19 whereas the summary cashbook records receipts in the current account as £51,256.51.
 - Payments recorded in the current account cashbook are £56,765.14 whereas the summary cashbook records payments in the current account as £56,653.46.
- I have been unable to confirm the clerk's pay to the contract of employment. The contract of employment specifies the rate of pay. The Clerk was paid an hourly rate that is inconsistent with the contracted rate

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.

Annual precept and reserves

The Council has carried forward reserves of £48,642 compared to its annual precept of £38,000. The Local Government Finance Act 1992 only allows the Council to set a precept to fund planned expenditure and requires it to take its reserves into account when setting the precept. It is not clear from the information provided for audit whether or not the Council has taken its reserves into account when setting the precept.

To ensure that it sets a lawful precept, we recommend that the Council reviews its reserves and its plans to apply these reserves when setting its future budgets and precept. Further guidance is found in the Practitioners' Guide.

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

 Richard Harries, Director, Audit Wales For and on behalf of the Auditor General for Wales	Date: 17/06/2025
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Annual internal audit report to:

Name of body: **LLANGUNNOR 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.	✓				We reconciled the bank accounts to the accounts summaries and the invoices as prepared by the clerk.
2. Financial regulations have been met, payments were supported by invoices, expenditure was approved and VAT was appropriately accounted for.	✓				Reviewed and audited a sample of purchase invoices back to the meeting minutes and the bank statements. Made sure the VAT was recorded correctly in the clerks accounts book.
3. The body assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	✓				Reviewed the Councils risk assessment report and its adequacy to achieve objectives.
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.	✓				Reviewed the budgetary process for adequacy of funds available for all intended transactions for the year.
5. Expected income was fully received, based on correct prices, properly recorded and promptly banked, and VAT was appropriately accounted for.	✓				Reviewed and audited a sample of income streams throughout the year to receipts and the meeting minutes thereafter.
6. Petty cash payments were properly supported by receipts, expenditure was approved and VAT appropriately accounted for.			✓		Council does not have a petty cash account.
7. Salaries to employees and allowances to members were paid in accordance with minuted approvals, and PAYE and NI requirements were properly applied.	✓				Reviewed the salary payments to the meeting minutes confirming the agreed amounts.
8. Asset and investment registers were complete, accurate, and properly maintained.	✓				Reviewed the fixed asset register and audited the new additions back to their invoices.

	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.	✓				Reviewed the spreadsheets prepared by the clerk back to the original bank statements.
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.	✓				Reviewed and audited a sample of transactions during the year and found that the correct accounting procedures had been adhered to.
11. Trust funds (including charitable trusts). The Council has met its responsibilities as a trustee.			✓		The Council does not have any trust funds.

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 _____.] * 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:

Signature of person who carried out the internal audit:

Date:

14/6/24

Dafydd Rees
D. A. Rees